

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF SOUTH CAROLINA  
CHARLESTON DIVISION  
IN ADMIRALTY

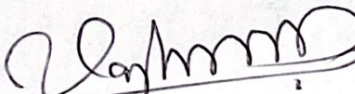
TIFFANY N. PROVENCE, as the Personal	)	Civil Action No.: 2:21-CV-965-RMG
Representative for the Estate of Juan	)	
Antonio Villalobos Hernandez,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	<b>DECLARATION OF PAUL</b>
	)	<b>VARGHESE</b>
UNITED STATES OF AMERICA,	)	
CROWLEY MARITIME CORPORATION,	)	
CROWLEY GOVERNMENT SERVICES,	)	
INC., DETYENS SHIPYARDS, INC., and	)	
HIGHTRAK STAFFING, INC. d/b/a	)	
HITRAK STAFFING, INC.	)	
	)	
Defendants.	)	

I, Paul Varghese, give the following declaration:

1. I am employed as the General Manager of Crowley Government Services, Inc. ("CGS").
2. I am personally familiar with Contract No. N6238715C3135P00252 (the "MSC Contract"), issued by Military Sealift Command Norfolk, VA to CGS.
3. The full MSC Contract is 664 pages long and includes extensive classified information that must be redacted.
4. Exhibit A to this Declaration is a 58-page excerpt from the MSC Contract consisting of the contract cover page and sections C-1, C-2 and C-3 of the terms and conditions.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June \_\_, 2022 at Jacksonville, Florida.

  
Paul Varghese

June 02, 2022.

# Exhibit 1

# EXHIBIT A

<b>SOLICITATION, OFFER AND AWARD</b>				1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		RATING		PAGE 1 OF 664 PAGES			
2. CONTRACT NO. N6238715C3135P00252		3. SOLICITATION NO. N00033-14-R-3135		4. TYPE OF SOLICITATION [ ] SEALED BID (IFB) [X] NEGOTIATED (RFP)		5. DATE ISSUED 25 Jul 2014		6. REQUISITION/PURCHASE NO. SEE SCHEDULE			
7. ISSUED BY MILITARY SEAL FT COMMAND NORFOLK 471 EAST C STREET, BLDG SP-64 NAVAL STATION N NORFOLK VA 23511-2419  CODE N32205  TEL: FAX:				8. ADDRESS OFFER TO (If other than Item 7)  See Item 7  CODE  TEL: FAX:							
NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder"											
<b>SOLICITATION</b>											
9. Sealed offers in original and <u>1</u> copies for furnishing the supplies or services in the Schedule will be received at the place specified in Item 8, or if handcarried, in the depository located in <u>MSCDC</u> until <u>04:00 PM</u> local time <u>23 Sep 2014</u> (Hour) (Date)											
CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.											
10. FOR INFORMATION CALL:		A. NAME		B. TELEPHONE (Include area code) (NO COLLECT CALLS)				C. E-MAIL ADDRESS			
<b>11. TABLE OF CONTENTS</b>											
(X)	SEC.	DESCRIPTION		PAGE(S)	(X)	SEC.	DESCRIPTION		PAGE(S)		
<b>PART I - THE SCHEDULE</b>					<b>PART II - CONTRACT CLAUSES</b>						
X	A	SOLICITATION/ CONTRACT FORM		1 - 37	X	I	CONTRACT CLAUSES		646 - 663		
X	B	SUPPLIES OR SERVICES AND PRICES/ COSTS		38 - 480	<b>PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS</b>						
X	C	DESCRIPTION/ SPECS./ WORK STATEMENT		481 - 557	X	J	LIST OF ATTACHMENTS		664		
	D	PACKAGING AND MARKING			<b>PART IV - REPRESENTATIONS AND INSTRUCTIONS</b>						
X	E	INSPECTION AND ACCEPTANCE		558 - 575		K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS				
X	F	DELIVERIES OR PERFORMANCE		576 - 616		L	INSTRS., CONDS., AND NOTICES TO OFFERORS				
X	G	CONTRACT ADMINISTRATION DATA		617 - 638		M	EVALUATION FACTORS FOR AWARD				
X	H	SPECIAL CONTRACT REQUIREMENTS		639 - 645							
<b>OFFER (Must be fully completed by offeror)</b>											
NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.											
12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.											
13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)											
14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):				AMENDMENT NO.		DATE		AMENDMENT NO.		DATE	
15A. NAME AND ADDRESS OF OFFEROR		CODE 5ABY0		FACILITY		16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)  MARIAN MOBLEY / GOV SALES					
		CROWLEY GOVERNMENT SERVICES, INC. MARIAN MOBLEY 9487 REGENCY SQUARE BLVD JACKSONVILLE FL 32225-8183									
15B. TELEPHONE NO (Include area code) 904-727-2610		15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE. <input type="checkbox"/>		17. SIGNATURE		18. OFFER DATE					
<b>AWARD (To be completed by Government)</b>											
19. ACCEPTED AS TO ITEMS NUMBERED		20. AMOUNT		21. ACCOUNTING AND APPROPRIATION See Schedule							
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304(c)( ) <input type="checkbox"/> 41 U.S.C. 253(c)( )				23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)		ITEM					
24. ADMINISTERED BY (If other than Item 7)  See Item 7		CODE		25. PAYMENT WILL BE MADE BY DFAS CLEVELAND, NORFOLK ACCOUNTS PAYABLE PO BOX 998022 CLEVELAND OH 44199		CODE N68732					
26. NAME OF CONTRACTING OFFICER (Type or print) DIANA FISCHER TEL: 202.685.5531 EMAIL: diana.fischer@navy.mil				27. UNITED STATES OF AMERICA <i>Diana Fischer</i> (Signature of Contracting Officer)		28. AWARD DATE 15-Jul-2015					

# Exhibit 1

## Section C - Descriptions and Specifications

### C-1 - OPERATIONS AND MAINTENANCE

#### **I OPERATIONS AND MANNING**

##### **1.1 GENERAL OPERATIONS**

- 1.1.1 Scope of Work/Mission.** The Contractor(s) shall operate six (6) ships in the Maritime Prepositioning Force (MPF). Five (5) will be BOBO Class - USNS BOBO, USNS WILLIAMS, USNS LOPEZ, USNS LUMMUS and USNS BUTTON, and one (1) will be USNS STOCKHAM. The ships shall be operated in a professional manner, maintained in good condition and shall be mission-ready at all times. The ships will operate in the Military Sealift Command (MSC) Prepositioning Fleet or will perform other Government missions. The ships are employed in the worldwide prepositioning of Government owned cargo, including, but not limited to, hazardous materials (including explosives and ammunition), vehicular cargoes, bulk cargoes, and general cargoes. The ships may also be used for other Government missions as directed (e.g. Afloat Forward Staging Base (AFSB) missions). After cargo download in contingency scenarios, the ships will be available for use as common user assets or may be placed in a reduced operating status (ROS).
- 1.1.2 Operational Control (OPCON).** Operational Control will be exercised by the Operational Commander. The ships are projected to operate in the worldwide service under the ultimate operational control of a Numbered Fleet Command or USTRANSCOM. Each operational mission will be the subject of a classified Operational Order (OPORD) or Sailing Order (SAILORD) that specifies exactly how the mission will be accomplished. Delay of any ship or diversion from operations will be reported immediately to the Operational Commander.
- 1.1.3 Concept of Operations.** The contractor shall operate the ships and related ship systems and equipment in accordance with U.S. Code of Federal Regulations and the American Bureau of Shipping (ABS) rules and regulations. At contract performance commencement and throughout the performance period of this contract, it is anticipated that all of the ships will be in Full Operating Status (FOS) except as noted below. The ships will return to the Continental United States (CONUS) approximately every three (3) years for maintenance of cargo and overhaul. During these cargo maintenance and ship overhaul periods, the Government may direct ships to be placed into a Reduced Operating Status (ROS). Anticipated OPTEMPO is described below:
- 1.1.3.1 Full Operating Status (FOS).** The Government estimates that the ships will spend the majority of the time fully manned in FOS status during the contract performance period. FOS OPTEMPO typically consists of 92% in port operations (at anchor or pier side) and 8% underway operations. **This underway OPTEMPO estimate does not include the ship(s) transits to/from CONUS to conduct maintenance or participation in military exercises.** Actual in port and underway percentages may vary. Underway periods consist of, but are not limited to, independent steaming, convoy operations and transits to/from selected ports for vessel and cargo maintenance or for the loading/discharging of cargo.
- 1.1.3.2 Reduced Operating Status (ROS).** The Government estimates that the ships may spend a portion of the time in ROS status with reduced manning during the contract performance period. This status includes time spent in shipyard availabilities in ROS/RAV status. ROS OPTEMPO typically consists of 100% in port operations (pier side or on dry dock). If the ship is required to get underway, an activation notice may be issued by the Contracting Officer and the ship may be required to transition to FOS status
- 1.1.4 Area of Operations.** The ships and the cargoes are designed for worldwide, extended independent underway operations in remote geographic locations. Therefore, self-sufficiency in operations and maintenance is an important mission requirement. For planning purposes and without guarantee, the Government anticipates prepositioning three of the vessels in the Indian Ocean (Diego Garcia - Squadron 2) and three of the vessels in the Western Pacific (Guam/Saipan – Squadron 3) for 92% of the time. Deviations from projected ship locations shall not be the basis for adjustment to the contract price.



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- 1.1.5 Operating Tempo (OPTEMPO).** Normal OPTEMPO for each ship in FOS is based on its prepositioning location. **The below percentages are an estimate of the ships' OPTEMPO and they do not include the ship(s) transits to/from CONUS to conduct maintenance or participation in military exercises.**

LOCATION	INPORT (anchor or pier side)	UNDERWAY
[REDACTED]	[REDACTED]	[REDACTED]

**all time a ship is operating outside of a port, which includes,** but not limited to, independent steaming, speed trials, convoy operations and transits to and from selected ports for ship and cargo maintenance or for the loading or discharging of cargo **in support of sponsor activities.** Operational commitments may warrant deviation from this estimate.

**1.1.6 WEATHER OPERATIONS**

- 1.1.6.1 Weather Information and Ship Routing.** The Naval Oceanography Centers (NAVMETOCEN) will provide Optimum Track Ship Routing (OTSR) for the MPF in accordance with COMSCINST 3121.9 (series). Routes assigned by the OTSR program are in the form of recommendations to the Ship's Master. The Contractor shall ensure Ship Master's request OTSR program routes during severe and destructive weather conditions.

- 1.1.6.2 Severe and Destructive Weather Plan** The Severe and Destructive Weather Plan identifies those measures to be taken by the crew to prepare the ship for severe weather, to include getting underway in 48 hours or less and in accordance with USCG Certificate of Inspections (COI) Manning. The Contractor shall ensure the ship(s) maintain and implement the Severe and Destructive Weather Plan in accordance with Operational Commanders' guidelines.

- 1.1.6.3 Required Storm Reports.** When a hurricane condition is set in the Area of Operations (AOR), and the ship is inport or underway within the storm-related area, the ship shall submit an initial hurricane status report within one (1) hour of notification of the condition being set. In addition, the ship shall request Optimum Track Ship Routing (OTSR) in accordance Section C-1.1.6.1 above. Notification calls from the cognizant MSC Area Command or COMSC will be considered the same as receiving formal notification via naval message including Optimum Track Ship Routing (OTSR) by Navy Meteorological Command Instructions.

- 1.1.7 Administrative Control (ADCON).** Administrative control will be exercised by the Prepositioning Program Office (PM3), Military Sealift Command Headquarters (MSC HQ).

- 1.1.8 Port Services.** The Government will furnish port services or reimburse the Contractor for actual costs of port services in accordance with G-8. Port services include tugs, pilots, berthing, potable water, feed water, shore power, spill-booms, docking, trash and garbage removal, oily waste removal, sewage removal, hazardous materials removal, line handlers, communications expenses for embarked military and sponsor personnel, and launch services. When Government port service contracts are in place, the Contractor shall utilize these contracts prior to using commercial sources. The Contractor shall exercise due diligence to obtain the most fair and reasonable port services, and shall notify the COR if such charges appear excessive prior to the ship entering port. As a part of the budgeted amount for port services, the Government shall reimburse canal tolls, port/local dues and taxes (provided the Contractor exercises due diligence in seeking on behalf of the Government immunity from such dues and taxes), entering/leaving port fees, customs broker fees, ballasting or shifting berths pursuant to Government orders and any other similar port charges for ports visited at the Government's direction. The Contractor shall submit separate invoices for each port call, along with the supporting documentation. The Government will not reimburse the Contractor for expenses incurred by the Contractor for services rendered for the convenience of the ship, its crew, or in connection with the Contractor's business such as the fees of underwriters. Fumigation/Pest Control will be not be reimbursable, unless prior authorization is received from the COR. The Government will reimburse the Contractor up to \$150.00 per port call for postage and petty expenses (including courier service and photocopying).

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**1.1.9 Diplomatic Clearances.** The Government will obtain diplomatic clearances, operational area clearances, and explosive event waivers when and where required. The Government will secure port visit clearances.

**1.1.10 Husbanding Agent Appointments.** The Government shall reimburse the Contractor, in accordance with Section G-8, for the customary fee paid to port husbanding agents in conjunction with the port visits of the ships, including the fees of agents appointed for canal transits and at bunkering ports in accordance with Section G-8. The Government retains the right to disapprove proposed agents and to require that the Contractor discontinue using an agent. The Government shall have the option of directing the Contractor to use a specific commercial or Government agent in any port for the reimbursable elements.

**1.1.11 RESERVED**

**1.1.12 Mail.** The ships will be assigned Navy Fleet Post Office (FPO) addresses, and forwarding services. Mail forwarding services will be provided by the Government through the appropriate Government Joint Military Postal Activity and the U.S. Postal Service in accordance with COMSCINST 3121.9 (series). The Contractor shall ensure each ship transmits via Navy message an updated Mail Routing Information (MRI) message and a Cargo Routing or Fleet Freight Forwarding Information message to allow mailings to be properly forwarded. See Section 15.22 of the Technical Manual for additional instructions on properly informing DOD mail and cargo forwarding services of the ship location. The Contractor shall pickup, deliver and/or forward any correspondence and parcels with respect to this contract on a daily basis.

**1.1.13 OPERATE SHIPS**

**General.** The Contractor shall operate the ships and related ship systems and equipment in accordance with United States Coast Guard (USCG) and the American Bureau of Shipping (ABS) rules and regulations. The Contractor shall observe ALMSC 020/06 and ALMSC 026/09 – Guidelines for Sovereign Immunity. Contact the MSC Area Command for guidance if any problems occur:

- **Sovereign Immunity.** The Master, while performing ship operations, shall advise foreign authorities that each USNS vessel under this contract is a sovereign immune vessel of the United States. These privileges include immunity from arrest or search (whether in foreign internal or territorial waters, or in international waters), immunity from foreign taxation, exemption from any foreign state regulation requiring flying the flag of such foreign state either in its ports or while passing through its territorial sea, and entitlement to exercise exclusive control over persons on board such vessels with respect to acts performed on board.
- **Foreign Law Enforcement.** Masters shall refuse requests from foreign authorities for documents, physical evidence, interviews of personnel, statements, any request to board, examine, inspect, or search the vessel, and any request for the physical delivery of persons on the vessel to foreign authorities. The Master lacks authority to comply with such a request, and shall so advise foreign authorities.
- **Foreign Port Visits.** The Master may, if appropriate, provide a Shore Party List of individuals who will go ashore to the host nation before granting liberty in port if such a list is requested. The Shore Party List may contain only the names and passport numbers of those personnel, all other information will not be provided. Masters shall comply with applicable U.S. and host nation agreements, such as Status of Forces Agreements, that specify particular procedures for port visits in that country.

**1.1.13.1 Ships in Full Operating Status (FOS).** The Contractor shall ensure each ship in FOS is operated in a safe and professional manner, and sails with a full crew. Each ship Master shall comply with MSC sailing orders and operational orders promulgated by the ship's Operational Commander. The Master shall enforce all laws of the United States and all applicable rules and regulations of the U.S. Coast Guard and applicable host nation laws and regulations. In case of emergency, nothing in this contract shall be construed as preventing the Master from taking the most effective action to safeguard life, property and the ship. The

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Master will have authority to abort operations temporarily on the basis of clear and present danger to life at sea, and shall inform the OPCOM with an information copy to COMSC and the cognizant MSC Area Commander.

**1.1.13.2 Standard Operating Manual (SOM).** The Standard Operating Manual, COMSCINST 3121.9 (series), also known as the SOM, is the primary MSC instruction that addresses the unique mission of the MSC fleet and is applicable to the subject ship(s). It provides policies and procedures pertaining to the operation and administration of the MSC fleet and provides a guide to other more definitive instructions. Ship's Masters shall be familiar with the instruction's content. In cases where the SOM and this contract conflict, provisions of this contract shall take precedence.

**1.1.13.3 Casualty, Incident and Injury Reporting.** The Contractor shall ensure all casualties, incidents and injuries (or death) are reported in accordance with the requirements of COMSCINST 3121.9 (series) and format of NWP 1-03.1:

- **Casualty Report (CASREP).** Machinery, hull or equipment casualties shall be reported in the Navy standard format of a Casualty Report (CASREP) in accordance with NWP 1-03.1. The Navy message format reports shall consist of the initial CASREP, and shall be followed by updates and a final correction (CASCOR) of the casualty. If a casualty is mission degrading, it must be reported within 12 hours of occurrence. If a casualty is not mission degrading but cannot be corrected within 48 hours, it must be reported not later than 24 hours after the occurrence. The Government may direct the Contractor to perform a formal Root Cause Analysis (RCA). The costs of such RCA will be reimbursable if an outside firm is utilized with prior Contracting Officer approval.
- **Special Incident Reporting.** Reporting of all accidents or occurrences resulting in damage by or to the ship, gear or cargo, or injury, or loss of life shall be issued in accordance with COMSCINST 3121.9 (series). This includes among other things, collision, stranding, grounding, foundering, heavy weather damage, fire, explosion, failure of gear and equipment, and any other damage affecting the seaworthiness of the ship. The Contractor shall inform the U. S. Coast Guard of such occurrences in accordance with USCG regulations (e.g. USCG form 2692).
- **Marine Casualty Investigations.** The current MSC/USCG Memorandum of Agreement (MOA) requires the Contractor to report all marine casualties in accordance with 46 CFR 97. The Coast Guard may decide to investigate casualties meeting these reporting requirements. The Contractor shall provide the Contracting Officer, COR, and ABS with the USCG Casualty Investigation Report, including all correspondence regarding any marine casualty investigation.

**1.1.13.4 Emergency Sorties.** Emergency sorties may be required at the discretion of the Government and as directed by the local MSC Area Command or at any other time the Government determines such a sortie is appropriate, such as to avoid hazardous weather.

**1.1.13.5 Helicopter Operations.** If so equipped, the Contractor shall operate, maintain and man the ship helicopter flight decks in accordance with NAVAIR 00-80R-14 and all other applicable, Navy, NAVAIR and MSC instructions for day and night helicopter operations. See Section C-1.8.7 (Helicopter Ops) for manning and training requirements.

**1.1.13.6 Aviation Facilities Certification.** The Contractor shall meet all requirements to acquire and maintain the Aviation Facilities Certifications. Aviation Facility surveys and inspections shall be arranged by the Contractor in accordance with NAVAIR 00-80R-14 and all other applicable Navy, NAVAIR, and MSC instructions.

**1.1.13.7 Design Speed Trials.** Contractor shall conduct speed trials on a regular basis to demonstrate ship(s) are able to obtain design speed. Speed trials are to be conducted (1) Every six months; (2) First opportunity following hull cleaning or propeller polishing; or (3) When directed by Numbered Fleet Commander,

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Squadron Commander, or MSC. The Contractor shall submit to the Squadron Commander and MSC (PM3) the template provided in Section 03.1.2 Technical Manual (Item A021A) upon completion of trials.

**1.1.13.8 Powering Self Assessment Data Collection and Reporting.** In order to assess the hull fouling condition and its impact on vessel powering and fuel consumption, MSC requires the procedure described in Technical Manual Section 07 (Powering Self Assessment Data Collection Procedure) to be performed when the vessel is underway for post overhaul sea trials, during ocean transits, independent steaming exercises while on station, or as directed by the Government. This data will be used in part to determine if a hull cleaning is warranted to reduce fuel consumption while underway. The Powering Self Assessment procedure shall be executed:

- At every post overhaul sea trial if one is performed. Appropriate planning and coordination with the shipyard and third party vendors shall be conducted in advance to allow this evolution to take place within the negotiated sea trial schedule.
- At least once for an ocean transit lasting more than 48 hours sea buoy to sea buoy. For transits greater than 7 days, such as when deploying from or returning to CONUS from a prepositioning location, the first data set shall be collected as soon as possible after reaching the planned voyage speed.
- Every six months during an Independent Steaming Exercise (ISE) while the vessel is forward deployed.
- During Speed Trials while the vessel is at maximum speed.

The contractor shall take all reasonable measures to ensure the proper function and calibration of all instrumentation required to collect the powering data. This instrumentation includes, but is not limited to the Doppler speed log, shaft torsion meters, fuel meters, GPS, and anemometers. The contractor shall also make every reasonable effort to annotate the data sheets with any observations or other comments denoting malfunctioning equipment, suspect readings, and any other information that will put the data into proper operational context and may assist in the analysis of the data by shoreside staff. Data shall be reported per the Powering Self Assessment Report in Section 03.1.2 of the Technical Manual (Sequence # A022).

**1.1.13.9 Diving Operations.** The Contractor shall request the approval of the Contracting Officer Representative (COR) prior to conducting diving operations.

**1.1.13.10 Daily Operational Report.** The Master shall issue a daily unclassified email feeder report to PM31 for normal operational procedures in involving maintenance, repair and departmental processes and personnel issues. PM3 will provide the email feeder format upon contract award.

## **1.1.14 CARGO HANDLING EQUIPMENT**

**1.1.14.1 Cranes, Stern Ramps and Side port Platforms.** The Contractor shall operate and maintain the installed cranes, ramps and platforms in applicable ABS rules and manufacturer's instructions and ensure safe operating conditions and peak efficiency. Cranes shall be operated and maintained in accordance with ABS Cargo Registry requirements.

**1.1.14.2 Material Handling Equipment (MHE).** The Contractor shall operate and maintain the MHE, such as forklifts, container lift trucks and man lifts in accordance with the manufacturer's instructions and safety guidelines.

**1.1.14.3 Ramp Hydraulic Hoses.** All stern ramp and side platform hydraulic hoses that are in close proximity to shipside and are exposed to the environment, and whose failure could lead to the discharge of oil into the water, shall be replaced at least every five (5) years. Apparent integrity of these specific hoses shall not preclude their replacement.

**1.1.15 Stevedore Damage.** Damage by Government provided Stevedore Contractors to a ship or its equipment during load or discharge operations shall be repaired at the Government's expense. The Contractor shall



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report this damage on MSC Form 5880/1 to the local MSC Representative on scene and to the Contracting Officer, and shall provide additional investigative assistance when directed by the Contracting Officer. Upon approval, the Contractor shall take necessary action to correct the stevedore damage and will be reimbursed in accordance with G-8.

**1.1.16 Vehicle Lashing Assemblies (VLA) and Cargo Securing Equipment (CSE) Accountability.** At contract turnover, each ship, as applicable, shall be provided Vehicle Lashing Assemblies (VLA) and Cargo Securing Equipment (CSE) for mission accomplishment. The Contractor shall establish processes in their Property Control Plan/System in accordance with Section 15.20 of the Technical Manual for control and inventory of VLA and CSE during the performance of the Contract, and any loss or damage shall be accounted for using of DoD Form 200 (Financial Liability Investigation of Property Loss). The Contractor shall return all VLA and CSE, at the end of the contract in accordance with the Government Property Clause FAR 52.245-1. The VLA and CSE returned shall be of like quality, kind and quantity as that which was provided by the Government at the beginning of the contract performance period plus any additional VLA and CSE that was provided by the Government during the contract period. Repair and replacement of VLA and CSE which have been properly accounted for will be reimbursed in accordance with the Government Property Clause FAR 52.245-1 and Section 15 of the Technical Manual.

**1.1.17 Explosives Handling.** Per Section C-1.1.1 (Scope of Work/Mission), the mission of the ship shall include the carriage of hazardous, explosive and ammunition cargo. Explosives and ammunition, including pyrotechnics, shall be stowed and handled in accordance with USCG regulation, 49 CFR parts 171 through 176, and applicable Navy requirements set forth in OPNAVINST 8023.2C (series), U.S. Navy Explosives Safety Policies, Requirements, and Procedures, OP 1810, Ordnance Equipment Handling and Shipping Instruction, OP 3347, U.S. Navy Ordnance Safety Precautions, and NAVSEA OP 3221, Loading and Stowage of Military Ammunition and Explosives Aboard Break Bulk Merchant Ships.

**1.1.17.1 Ammo Bonus.** The Contractor shall assume ships on Marine Corps Prepositioning duty will upload sufficient quantities of ammunition/explosive materials to pay the crew a required "explosive bonus." The Contractor shall include such bonus costs within the fixed daily rate during FOS periods.

## **1.2 ENGINEERING OPERATIONS**

**1.2.1 General.** The Contractor shall operate ship equipment and machinery in accordance with the Manufacturer's Technical Manuals, MSC policy, United States Coast Guard (USCG) regulations (33 CFR, 46 CFR and 49 CFR), American Bureau of Shipping (ABS) guidance and any applicable local or other jurisdictional requirements. The Contractor shall operate the cargo hold climate control systems as required to maintain compliance with required temperature and humidity limits for prepositioning cargo. Section 17 of the Technical Manual contains temperature and humidity specifications and reporting requirements.

**1.2.1.1 Unmanned Engine Room Operations.** USNS STOCKHAM is certified for unmanned engine room operations. The contractor shall operate the engine room in an unmanned mode to the greatest extent possible when in port or at anchorage. All overtime for duty watch responsibilities will be incorporated into the contractor's fixed rate using the OPTEMPO estimated in this performance work statement as the basis for calculation.

**1.2.2 In Port Readiness.** Regardless of the length or nature of a port visit while on an FOS mission, the Contractor shall ensure that each ship is fully capable of getting underway to perform the assigned mission within twenty-four (24) hours of receipt of sailing orders, unless an applicable Casualty Report (CASREP) has been transmitted.

**1.2.2.1 In Port Maintenance.** In those cases where anticipated maintenance, repair, or regulatory body activities will prevent the ship from getting underway and performing the assigned mission within twenty-four (24) hours, the Contractor shall notify the Operational Commander, MSC Area Commander, and Contracting Officer. This notice shall set forth the specific nature of the work to be accomplished, the estimated time



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required to accomplish the work as described, and any viable alternatives that would enable the ship to maintain the original operating schedule. The Contractor shall request the Operational Commander's permission to proceed with the work described. The Operational Commander, MSC Area Commander, and the Contracting Officer reserve the right to require the Contractor to reschedule the requested work. This does not affect the consent requirements of Section C-2.6.1(Industrial Assistance).

- 1.2.3 Fuel, Lubricating/Hydraulic Oil, Chemicals, and Paint.** Except as provided below, the Government will furnish all required fuel, lubricating/hydraulic oil, chemicals, and paint. Refer to Technical Manual Sections 10, 11, 12, 13, and 27 for specific requirements for procuring products and services via Government administered contracts ("Independent Agencies"). Packaged petroleum products such as WD-40 and cutting oils are consumable supplies and are to be provided by the contractor at its own expense regardless of quantity. See Technical Manual Section 15 (Government Furnished Property) for specific details on Consumables. The grades of fuel authorized for use onboard the ships are set forth in Section 27 of the Technical Manual.
- 1.2.4 Fuel Quality Assurance and Testing.** In order to assure fuel delivered to the ship meets the quality standards of the Technical Manual and bunker purchase specifications, the Contractor shall take fuel samples at the manifold while bunkering in accordance with MARPOL Annex VI requirements outlined in Section 10.6.1 and Section 27 of the Technical Manual. Test results will be communicated by MSC to the ship for entry into the Oil Record Book. Sampling and testing shall be conducted as follows:
- Take samples by manual or automatic means when receiving bunker fuel;
  - Sample size to be 400ml or more and bottle labels signed by Chief Engineers and Supplier;
  - Mail one sample to designated laboratory using mailing kit provided by MSC; and
  - Retain a second sample onboard not less than one year or until those bunkers are expended.
- 1.2.5 Fuel Bunkering.** The Contractor shall comply with the USCG Regulations and COMSCINST 3121.9 (series) for fuel bunkering. Federal Regulations call for the establishment and utilization of a fueling bill including sampling, personnel billets, communications, and procedures for bunkering. Each ship is equipped with an oil spill containment and cleanup kit as detailed in MSC's AEL which is available upon request to PM3 Logistics. The Contractor shall be responsible for maintaining and preserving all cleanup kits pursuant to Section C-5.1.3 (Durable Moveable Property) and Section 15.23(b) and (e) of the Technical Manual. With the exception of Diego Garcia, an independent surveyor shall be in attendance for all commercial or Government supplied bunkering evolutions and will be reimbursed under "port charges".
- 1.2.6 Fuel Source and Consumption Data.** The Contractor shall obtain fuel from Defense Logistic Agency-Energy (DLA-E) military stocks or through a DLA-E contract with a commercial supplier. The Contractor shall provide the Government at least ten (10) business days advance notice for all fuel oil requirements. Ships installed with Daily Vessel Record Guidance (DVR) version 1.5, a module within SAMM Engineer's Daily Logbook, are no longer required to submit a monthly NEURS reports but will follow the guidance of daily record entries. Ships not installed with Daily Voyage Record (DVR) shall report fuel inventory and consumption on a monthly basis via the Navy Energy Users Reporting System (NEURS) format N07200-202.00 Form 01 and send by email to: MSCHQ-NEURS@navy.mil.
- 1.2.7 Alternate Fuel Suppliers.** Suppliers other than the Government contracted Independent Agencies may be used only when:
- The Independent Agency is not available,
  - The required product is not part of their contract with MSC, or
  - Delivery dates would cause the diversion or delay of the ship.

In such cases, the contractor shall consult with the Government to confirm the proposed alternate product is compatible with the Independent Agency's product in use and that the proposed product meets equipment OEM requirements. Prior to purchasing the product(s), regardless of price, the contractor must submit a

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request to the Contracting Officer for consent to purchase the alternate products. The formal request shall contain at least:

- The Product Data Sheet of the specific product desired.
- Some indication of OEM approval of the desired product.
- Technical justification for the required product including why the Independent Agency's available products are unacceptable.
- Competitive quotes received in response to the Contractor's solicitation to include all additional requirements and pricing for FOB delivery (barge delivery, pumping, demurrage, etc.).
- A subcontract award recommendation with justification.

Alternate products are considered Directly Funded Reimbursable Items. All reasonable expenses incurred to purchase and deliver these products are reimbursable including an independent Bunker Surveyor.

**1.2.8 Energy Conservation.** The contractor shall assist the Government in energy conservation efforts. At a minimum the contractor shall:

- Submit for consideration, when identified and as applicable, proven and measurable energy conservation measures that have been adopted by commercial industry both ashore and afloat.
- Maintain optimum plant alignment to safely meet navigation and mission requirements while consuming the least amount of fuel practicable.
- Maintain hull and running gear cleanliness to the extent that operational, budget, and logistical constraints allow.
- Trim vessel to as close to an even keel when underway to the extent that specific fuel, ballast, cargo and hull stress constraint allow.
- Maintain economical speed to the extent operational orders and movement schedules allow.
- Support MSC funded energy audits and provide input to prioritization and implementation of identified energy conservation measures

**1.2.9 Management of Defense Bulk Fuel in MPF Prepositioning Ships.** The Defense Logistics Agency for energy (DLA-E) will work closely with MSC to ensure compliance of MPF shipboard personnel concerning testing and inventory management requirements for bulk fuel evaluation and for implementation of DLA-E policy and procedures outlines in Section 27 paragraph 3.1 of the MPS Technical Manual.

**1.2.10 Environmental Protection and Enhancement.** The Contractor shall monitor and control ship system operation and waste disposal and comply with all applicable Federal, State, interstate, and local laws and regulations, including Navy and MSC Environmental Instructions. The Contractor shall comply with Chapters of OPNAV INST 5090.1 (series) (Environmental Readiness Program Manual) concerning Environmental Compliance Afloat. The Contractor shall also comply with applicable MSC Instructions, including: COMSCINST 5090.1 (series) (Environmental Protection Program); COMSCINST 5090.2 (series) (Disposal of Solid Waste in the Marine Environment); COMSCINST 5090.3 (series) (Shipboard Management of Ozone Depleting Substances) and 40 CFR Part 82 subpart B (ODS); COMSCINST 5090.4 (series) (Afloat Oil-Hazardous Substance Spill Drill and Command Post Exercise Program); and MSC non-Tank Response Plan/SOPEP.

**1.2.10.1 Water Pollution.** The Contractor shall comply with applicable portions of the Federal Water Pollution Control Act (Clean Water Act or CWA), 33 U.S.C. § 1251 *et seq.*, the Act to Prevent Pollution from Ships (33 U.S.C. 1091 *et seq.*), regulations in 33 CFR 151 and 155, DoD 4715.6-R1 (Regulations on Vessels Owned or Operated by the Department of Defense-dated Jan 2005) and COMSCINST 5090.1 (series) Navy Environmental Protection Programs. When the Final Rule is published in the Federal Register, the Contractor will comply with the Uniform National Discharge Standards for ships of the Armed Forces. The Contractor shall maintain and operate all shipboard pollution prevention equipment in accordance with the manufacturer's instructions.

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Contractors operating MSC ships shall not surrender nor waive the sovereign immunity of a Government owned ship during any environmental incident. All vessels shall only use cleaning chemicals or supplies which do not contain phosphate or which contain very low levels of phosphate.

**1.2.10.2 Air Pollution.** Emission levels will be consistent with Clean Air Act. Areas of concern are containment of abrasive blasting particulate (including general particulates and heavy metals), control of stack emissions during boiler repair and blowdown operations, removal of asbestos, and compliance with applicable statutes and regulations, including EPA and USCG regulations.

**1.2.10.3 Noise Pollution.** The contractor shall comply with the Noise Control Act of 1972, 42 U.S.C. 4901 et seq., and implementing regulations. Retrofit modifications are not prescribed or authorized for existing noise sources without Contracting Officer Representative (COR) approval.

**1.2.10.4 Oil Spill Response.** In the event of an oil spill, Contractor shall provide at its own expense immediate response capability to protect the vessel and crew, stop the outflow of oil and mitigate damage to the environment. Contractor shall activate and engage in contracting with oil spill removal organizations, act as liaison with the Federal On-Scene Coordinator (or cognizant foreign authority), and fund response activities until such time as being relieved of such responsibilities by the Navy On-Scene Commander (NOSC) who will then assume responsibility for management of the continuing oil spill response. All oil spills shall be immediately reported directly to the National Response Center, and other parties per OPNAVINST 5090.1 (series) and MSC's Vessel Response Plan / Shipboard Oil Pollution Emergency Plan (VRP/SOPEP).

**1.2.10.5 Ballast Water Management.** The Contractor shall be guided by any ballast water exchange requirements contained in OPNAVINST 5090.1 (series) and other applicable statutes and regulations.

**1.2.10.5.1 Gray Water Management.** The Contractor shall be guided by any ballast water exchange requirements contained in OPNAVINST 5090.1 (series) and other applicable statutes and regulations

**1.2.10.6 Marine Sanitation Device (MSD) Disposal System.** The Contractor shall maintain and operate the installed MSD disposal system in accordance with the manufacturer's instructions, applicable USCG regulations, Clean Water Act, Uniform National Discharge Standards (UNDS) and other applicable statutes and regulations, to preclude the contamination of harbors, rivers, channels, or other restricted areas with untreated sewage and/or gray water. Personnel working with MSD equipment shall be aware of health aspects.

**1.2.10.7 Ozone Depleting Substances.** The contractor shall operate and maintain equipment and systems containing Ozone Depleting Substances (ODS) in accordance with manufacturer's instructions. Equipment with an installed charge of more than 50 pounds shall be maintained to remain within the maximum annual leakage rates of 15 percent for total refrigerant in air conditioning equipment and 35 percent of total refrigerant in ship stores and cargo refrigerant as stated in OPNAVINST 5090.1 (series). ODS shall be recovered prior to maintenance on systems. Persons who perform maintenance, service or repair of any appliance which contains and/or uses Class I or II refrigerants shall hold a valid EPA approved certification as Universal Technician as required by 40 CFR part 82.

**1.2.11 Compliance with HAZMAT Laws, Statutes and Regulations.** The Contractor shall comply with the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq.; the Clean Air Act (CAA), 42 U.S.C. § 7401 et seq.; the Clean Water Act (CWA), 33 U.S.C. §§ 1251-1387; the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. 9601 et seq.; 10 U.S.C. § 7311; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., and all applicable Federal, State, interstate, and local environmental statutes and regulations. When

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practicable, the Contractor shall utilize DOD turn-in sites and procedures for the recycling or disposal of hazardous substances. These sites are identified in enclosure (3) to COMSC Instruction 4110.1 (series).

**1.2.11.1 Material Safety Data Sheets (MSDS).** An inventory of hazardous materials used onboard ship will be maintained. Hazardous materials (HAZMAT) will be used and stowed in accordance with MSDS guidance. MSDS shall be obtained from the supplier for hazardous material used, handled, packaged and transported or disposed. The Contractor shall ensure that an inventory of hazardous materials brought onboard is accurately maintained. MSDS for each item of hazardous material shall be kept on file. Permanently Embarked Personnel (PEP) shall provide the Contractor with unique or special handling requirements.

**1.2.11.2 HAZMAT Control and Management.** The Contractor shall contract for the proper removal, handling, storage, transportation, and disposal of hazardous materials generated in the performance of contract requirements. The Contractor shall, when entering into contracts for ship repair or maintenance, ensure that said contracts comply with Section C-2.6 (Industrial Assistance Management) and contain the provisions required by 10 U.S.C. § 7311. The Contractor will further ensure that used and excess HAZMAT, and wastes expected to be generated during the performance of maintenance and repair work, shall be removed from the ship in accordance with OPNAVINST 5090.1 (series). When these activities take place outside U.S. waters, the Contractor shall also require third parties, such as shipyards performing repairs, to adhere to comparable environmental standards.

**1.2.12 Potable Water Conditioning.** The ships are equipped with potable water treatment and testing equipment to comply with Section 12.5 of the Technical Manual. The Contractor shall ensure that qualified Engine Department crew test, treat, monitor, and maintain the condition of the potable water in accordance with NAVMED P-5010. 6 (series) (Water Supply Afloat). There shall be maintained onboard ship a Potable Water Testing and Treatment Log in accordance with Section 03.2.2(B012) of the Technical Manual wherein shall be entered the frequency, amount and duration of all potable water treatments.

**1.2.13 Refrigerated Container Maintenance.** Contractor is responsible for maintaining up to sixty (60) refrigerated containers per vessel, including cargo containers that are loaded on the ships, to include temperature readings and maintenance on the containers. Costs associated with maintaining refrigerated containers shall be included in the Contractor's fixed price. Refer to Section 18 of the Technical Manual.

**1.2.14 Waste Disposal.** When disposing of plastic and garbage wastes, the Contractor shall comply with OPNAV Instruction 5090.1 (series) regarding environmental compliance afloat, COMSCINST 5090.2 (series), applicable provisions of the Act to Prevent Pollution from Ships, 33 U.S.C. § 1901 et seq., and Annex V of the International Convention for Prevention of Pollution from Ships (MARPOL 73/78)

## **1.3 HOTEL SERVICES**

**1.3.1 General.** The Contractor shall provide hotel services to ship's Crew, Permanently Embarked Personnel (PEP) and any other Personnel approved to berth aboard.

**1.3.1.1 Composition of Additional Permanently Embarked Personnel (PEP).** In addition to ship's crew and Navy Squadron Officers and Support Personnel, there will be Marine Corps Maintenance Contractor (MCMC) and lighterage maintenance personnel to maintain cargo under contract with the Government. There may also be force protection security personnel onboard the ship provided by the Contractor or the Government. PEP may consist of military personnel, civilian Government employees or Contractor personnel as applicable



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- 1.3.2 Food and Hotel Services.** The Contractor's steward department shall be responsible for meals, and hotel services for the ship's crewmembers and Permanently Embarked Personnel (PEP). The cost for hotel services and meals shall be included in the Contractor's fixed rate. The rate should include thirty (30) PEP for Flagships and twelve (12) for non-flagships. Contractor shall plan for Flag ship manning addressed in Section C-1.7.3.
- 1.3.2.1 Temporary Embarked Personnel (TEP).** In conjunction with sea trials or other operational periods as authorized by MSC, the Contractor may be required to embark temporary personnel, numbering in excess of the allowed Permanently Embarked Personnel (PEP). The Contractor's Steward Department shall provide berthing and messing to such embarked personnel. Contractor will be reimbursed at the following rates: meals-\$4.00 per meal not to exceed a maximum of \$12.00 per day, berthing-\$12.00 per day. Temporary Embarked Personnel will be counted towards PEP and the contractor will only get reimbursed if the TEP exceeds the PEP amounts listed in Section C-1.3.2.
- 1.3.2.2 Inport Visitors.** Government personnel or other authorized official personnel not assigned to the ships will be allowed to mess aboard; Contractor will be reimbursed at the fixed rate of \$4.00 per meal, per person, not to exceed \$12.00 per day, per visitor. Inport visitors will be counted towards PEP and the contractor will only get reimbursed if the inport visitor's exceeds the PEP amounts listed in Section C-1.3.2.
- 1.3.2.3 Costs of Food and Hotel Services.** The Contractor shall reconcile true meal and berthing costs on a quarterly basis for up to thirty (30) PEP per day in support of the Squadron Commander Flagship, and for up to twelve (12) PEP per day on Non-flag ships. The contractor shall keep detailed records of meals, and hotel services provided, including the names, ranks and affiliation of all personnel being served and berthed, and shall submit proper documentation and provide a credit to the Government for less numbers of embarked personnel, or to apply for reimbursement if numbers exceed the above limits.
- 1.3.2.4 Subsistence Endurance Levels.** The Contractor shall establish standard records and procedures for use in each MPF ship to ensure that the endurance levels stated below are maintained at all times. The Contractor shall maintain these endurance levels, which are within the capability of each MPF ship as designed. During normal operations, the ship will support up to [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- 1.3.3 Provide Food Service For Permanently Embarked Personnel (PEP).** The Contractor shall provide Permanent Embarked Personnel with galley prepared food service. The food provided shall meet or exceed industry standards for variety, quality, quantity and nutritional value.
- 1.3.4 Purchase of Foreign Foods.** The Contractor shall ensure that foreign meat, fish, poultry and dairy products will be purchased only in emergency situations and only from approved sources established by the Army and Air Force Veterinary Services or the Navy Medical Service and only in quantities required to alleviate the emergency. As necessary and appropriate, the Contractor shall request a list of approved food sources in the operating area from the Contracting Officer. The Contractor shall further comply with the provisions of COMSCINST 6000.1 (series), Medical Manual, and NAVMED P-5010, Chapter 1.
- 1.3.5 Food Service Health and Safety Inspections.** The Ship's Master or Medical Person in Charge (M-PIC) shall conduct weekly inspections of food service spaces and equipment. The record of each inspection shall be reviewed to validate corrective actions. Records of these inspections shall be kept in a file for a minimum of 1 year and made available for inspection when requested by Government representatives.
- 1.3.5.1 Government Inspections of Food Facilities.** Onboard Condition Inspections (OCI) will be conducted by Government representatives. Portions of the OCI will cover food service operation. These OCI visits will

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also include a sanitation inspection of food service facilities. If the ship's food service operation fails the sanitation inspection by receiving an unsatisfactory grade, the Government may direct the closing of the galley and secure food service operations until all discrepancies have been corrected. Alternate food service during any period of galley closure will be at the Contractor's expense. Daily and weekly cleaning of all food service operation spaces and equipment shall be in accordance with CFP, ANSI and NSF standards.

- 1.3.6 Food Handlers.** 46 CFR 10.215(d)(2) requires mariners applying for the Steward Department Food Handler endorsement to provide a statement from a licensed physician, physician assistant or nurse practitioner attesting that the applicant is free of communicable diseases. The examiner's statement and subsequent annual medical screenings of food handlers shall be confirmed by the Contractor as required by COMSCINST 6000.1 (series) Chapter 6, Section 6.5 for such screening. This documentation shall be on file aboard ships for all food service employees currently assigned.
- 1.3.7 Provide Sanitation Services.** The Contractor shall maintain the ship in a sanitary condition at all times in accordance with 46CFR97.15-10 (Sanitation). All living spaces, staterooms, quarters, toilet and washing spaces, serving pantries, passages, galleys, and stairwells shall be inspected no less frequently than monthly in accordance with 46CFR91.35-1 (Sanitary Inspections).
- 1.3.8 Provide Pest Control.** The Contractor shall ensure that all living spaces, recreation lounges, and work areas are free of pests at all times. The Contractor shall ensure that all personnel conducting pest control measures are properly trained. All stores and provisions shall be checked by the Contractor's personnel as appropriate, prior to loading to ensure they are rodent and pest free. In accordance with Section C-1.1.8 (Port Services), fees for fumigation/pest control in port are not reimbursable unless prior approval is received from the Contracting Officer Representative (COR). Refer to World Health Organization, International Health Regulations (IHR) of 1969, U.S. Navy Shipboard Pest Control Manual, SECNAVINST 6210.2A Quarantine Regulations, and NAVMED P-5010 for further guidance.
- 1.3.9 Ship Sanitation Exemption Control Certificate (SSECC).** The Contractor is responsible for ensuring that any FOS ship is SSECC certified every 6 months in compliance with guidelines delineated in the World Health Organization, International Health Regulations (IHR) of 2005 and BUMEDNOTE 6210 dated Nov 2007. For ships maintained in ROS, the Contractor shall ensure SSECC Inspection Certification requirements are met prior to ship activation.
- 1.3.10 Provide Linen.** The Contractor shall provide the following laundered items to all Permanently Embarked Personnel (PEP) and Temporary Embarked Personnel (TEP) when they report onboard ship. Section 15.23 (b) (i) Category B Durable Moveable Property provided on delivery of a ship includes sheets, blankets, pillows and mattresses. Once these items become worn or unusable, the Contractor shall replace these items as non-reimbursable DMP.
- 1.3.11 Provide Self-Service Laundry Facilities.** The Contractor shall make available self-service laundry facilities for the Permanently Embarked Personnel (PEP) and Temporary Embarked Personnel (TEP). Laundry facilities will be available at all times and will include sufficient amount of all cleaning supplies. All vessels shall only use cleaning supplies which do not contain phosphate or which contain very low levels of phosphate.

## **1.4 MEDICAL REQUIREMENTS**

- 1.4.1 General.** The Contractor is responsible to maintain aboard ship the Authorized Medical Allowance List (AMAL) and adequate reference material and facilities in accordance with 46CFR 72.20-35 to provide first aid care to the embarked crew and other personnel assigned aboard ship. MSC requires the Contractor

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maintain crew medical records and ensure immunizations and screening of mariners in accordance with applicable guidelines of COMSCINST 6000.1 (series).

**1.4.1.1** **Medical Exam Requirements For Contract Mariners (CONMARS).** All CONMARS shall be screened and undergo pre-employment multi-phasic medical/dental physical examinations to ensure that they are in good physical condition, do not have a history of injuries onboard ship, and do not have a history of inability to perform the physical requirements of their position. The USCG medical examination requirements and periodicity shall be used, at a minimum, to standardize the physical qualification parameters for initial entry, retention, duty assignments and training programs for CONMARS required for employment in positions at sea aboard Government owned vessels under the control of Military Sealift Command.

**1.4.2** **Supplemental MSC Medical Screening.** Since the USCG medical exam does not require the below medical examination requirements generally used as MSC Force Surgeon's core medical examination standards:

- (1) Complete Blood Count (CBC).
- (2) Lipid Profile – (total cholesterol, LDL, HDL, triglycerides).
- (3) Hemoglobin A1C test (in place of fasting glucose)
- (4) Urinalysis.
- (5) EKG.
- (6) Dental exam by licensed healthcare practitioner (dentist is also acceptable but not required)

The Operating Company (OPCO) designated medical representatives shall ensure the above listed medical screenings are also implemented. Periodicity is to be every five years up to age 50, then every two years, but may be more frequent at the discretion of the OPCO's medical representative in the case of abnormalities or chronic condition such as diabetes, coronary artery disease, hyperlipidemia, or other medical conditions.

**1.4.2.1** **Medical Records.** The M-PIC shall maintain for each crew member (1) a listing of all current medical diagnoses; (2) a listing of all medications currently prescribed and utilized; (3) International Certificate of Vaccinations PHS-731 (Rev 2-69) and (4) any additional pertinent information on medical care which has been obtained since the crewmember's most recent MSC medical examination. Medical records for each crewmember shall be made available to any medical provider who examines the crewmember. It is the responsibility of the M-PIC to ensure that each crewmember returns to the ship to give the M-PIC any applicable documents given them by a local physician or clinic each time they are examined or treated ashore.

**1.4.2.2** **Provide Medical History.** Crewmembers shall not be accepted for employment if previously repatriated for a medical condition, unless a complete report from a physician provides verification that the predisposing condition has been corrected or cured, and such report has been approved by the Contractor's designated licensed physician. The Contractor shall not supply crewmembers with existing health conditions that constitute a hazard to the person or to others onboard ship, unless it can be demonstrated the condition is controlled and being monitored by the crewmember's physician who has rendered the crewmember Fit for Duty (FFD). A high-risk medical condition shall subject the individual to immediate repatriation. The Contractor shall subscribe to a maritime personnel casualty reporting service.

**1.4.3** **Granting Waivers.** The Operating Company designated medical representative may grant a waiver of the supplemental MSC medical screenings at their discretion for any waiverable condition. Further information on waiverable conditions can be found in COMSCINST 6000.1E, or medical representatives may consult the MSC Force Medical Division.

**1.4.4** **Tuberculosis (TB) Control Program.** The Contractor shall adhere to the Navy's TB Control Program as outlined in BUMEDINST 6224.8 (series) and COMSCINST 6000.1 (series).

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- 1.4.5** **Medical Care Onboard.** As directed by Federal Regulations for merchant shipping, a ship's officer, in accordance with STCW-95 Section A- VI/4, shall be designated to provide medical first aid (M-PIC). The M-PIC shall be trained in accordance with the requirements in Section C-1.8.20 (Medical Person in Charge). The M-PIC, if not the Ship's Master, shall be directly responsible to the Master for conduct of M-PIC responsibilities.
- 1.4.6** **Medical Treatment Costs.** The Contractor shall be responsible for all costs incurred in providing medical treatment, emergency repatriation, routine transportation, hospitalization and all other costs for the care of medically unfit Contractor personnel. This includes cost for medical evacuation (MEDEVAC) from any ship location.
- 1.4.7** **Designated Licensed Physician.** During the contract period, the Contractor shall maintain ashore, on an as-needed basis, a licensed physician(s) to review, approve and certify that members of the crew are Fit for Duty (FFD).
- 1.4.8** **Medical Advisory Services.** The Contractor shall subcontract for medical advisory service for the ships. The medical consultative service shall be available 24 hours per day, seven days a week, from a licensed physician with emergency medical experience and who is aware of shipboard living conditions. This service may be provided by either the Contractor's designated licensed physician or by another medical facility. The facility/physician shall have sufficient communications capabilities to assure ships deployed worldwide can rapidly initiate and maintain contact with clarity. The physician/facility shall be available to communicate with the ship within five (5) minutes of establishment of direct communication by the ship. All costs associated with the Medical Advisory Services shall be for the Contractor's account.
- 1.4.9** **Medical Supplies.** The Government will provide each ship with medical supplies such as medications, equipment, and reference material at the beginning of the contract period. After delivery, the shipboard Medical Person in Charge (M-PIC) shall be responsible for requisitioning all additional supplies and reference materials through the Navy Supply System, if available. The Government will reimburse the cost for re-supply of all consumable medical supplies procured to fill the Authorized Medical Allowance List (AMAL 5500) level per each stock item. For non-consumable medical equipment or property damaged or lost during the contract performance period, MSC will determine if the Contractor is financially liable in accordance with Section 15.5.1 of the MPF Technical Manual. The Contractor shall be responsible for continuously maintaining the medical supplies at no less than 90% per line item of required allowance for a ship in FOS. All replacements shall be of equivalent quality to the items initially furnished, and all replacement medicines shall be FDA approved and licensed in accordance with NAVMED P-117.
- 1.4.9.1** **Shelf-life Pharmaceuticals.** In order to fill the Authorized Medical Allowance List (AMAL 5500) level per each stock item thru the Navy Supply System, the Contractor shall select the line item for "Advanced Medical Kit" (AMK) in order to meet the shipboard pharmaceutical requirements. This Kit will reduce the workload on the M-PIC (e.g. Ship's Master or Chief Mate) for replacement and disposal of shelf-life medical consumables that have expired. The Government will reimburse the cost for the AMK and it must conform to the applicable items approved by the MSC Force Surgeon for inclusion in the Kit. Any deviation, addition or substitution to the contents of the MSC AMK must be approved by the MSC Force Surgeon.
- 1.4.10** **Control of Medical Items Including Controlled Substances.** The Contractor shall follow guidelines provided in Section 15 of the Technical Manual to establish and maintain controls and procedures for the custody and safekeeping of all medical supplies and ensure that all medical equipment is maintained in good working order at all times. Controlled medicinal substances such as narcotics shall be inventoried and maintained to include, at a minimum, the following steps:
- The Master shall designate in writing an "Inventory Board" to include the Master and one or two other officers not directly involved with procurement of controlled substances;



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- The Inventory Board shall conduct a quarterly inventory of all controlled substances and sign a written record of such inventory for the file;
- Upon the relief of one Master by another Master, the two shall conduct and record a full inventory of the controlled substances; and
- Any use or discovered discrepancy of controlled substances shall be reported to MSCHQ and recorded in the ship's log and Medical Journal.

**1.4.11** **Immunizations and Other Preventive and Medical Countermeasures.** Officers and crew who are embarked on ship(s) subject to this contract and in FOS shall have current immunizations in accordance with BUMEDINST 6230.15 (series), as amended, prior to assignment to the ship. As a result, officers, crew, and other individuals who are embarked for contractor's purposes, including but not limited to subcontractors, are considered contractor personnel performing mission essential services under DoDI 3020.37, November 6, 1990, (Change 1, January 26, 1996), and are subject to standard inoculation requirements, and the following subparagraphs:

**1.4.11.1** **Supplemental Immunizations and Other Preventive and Medical Countermeasures.** In addition to the foregoing, at any time during the period of this contract, COMSC may establish supplemental immunization programs and other preventive and medical countermeasures through written policies or directives. The contractor shall ensure that all officers, crewmembers, and other individuals embarked on ships are in compliance.

**1.4.11.2** **Immunizations - Failure to Comply.** Any embarked individual who refuses to comply with any immunization requirement or any preventive or medical countermeasure requirement, or who declines or is ineligible to take or use a particular required immunization or other preventive or medical countermeasure, shall be removed by the contractor from the vessel as soon as possible, but not later than the next port call and replaced with a medically qualified individual. Any removal and replacement of personnel pursuant to this clause shall be solely at the contractor's expense, including but not limited to, travel, per diem, wages, and associated administrative expenses. A crew member being administratively or medically ineligible to receive an Anthrax shot is addressed in COMSCINST 6000.1 Series (Control of Communicable Disease and Immunizations). Other exceptions will be at the discretion of the Contracting Officer.

**1.4.11.3** **Notice of Immunizations or Preventive and Medical Countermeasures Status.** When preventive and medical countermeasures, including immunizations, are required pursuant to Section C-1.4.10.1 (Supplemental Immunizations), the contractor must provide notification of the immunization status of all officers, crew and other individuals upon request.

**1.4.12** **Medical Readiness Inspection.** A Medical Readiness Inspection will be conducted on each ship every 24 months in accordance with COMSCINST 4700.18 (series) to include crew medical records, inventory of medical AMAL, survey of medical spaces and equipment, potable water testing, and cleanliness of food storage and preparation areas. Medical Readiness Inspections may be conducted at the same time as Onboard Condition Inspections (OCI) or may occur independently.

**1.4.13** **Medical Technical Assist Visit (TAV).** A TAV may be conducted when specifically requested by the Government PM or as directed by the MSC Fleet Surgeon regarding medical issues that could impact ship readiness (e.g. infectious disease outbreaks). The Medical Inspections Branch, Norfolk, Virginia, MSC Fleet Surgeon will coordinate all MRIs and TAV's.

## 1.5 COMMUNICATIONS

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**1.5.1 Communications General.** All message traffic shall be handled via Navy communications systems and costs to file official Naval messages will be reimbursed in accordance with Section G-8. The Contractor shall ensure the ship(s) maintain the capabilities addressed in the following sections:

**1.5.2 Regulatory Body and MSC Requirements.** The Distress and Ship communications equipment (GMDSS) shall be operated and maintained as required by 47CFR80. Each Ship shall be capable of supporting basic radio room functions. The ships shall be capable of meeting the following MSC specific communications requirements.

**1.5.2.1 Operate Communications Equipment.** The Ship shall have a designated space equipped with Government Furnished special communications equipment to be operated and maintained by the Contractor. SECRET Security Clearances are required for any contractors, ship officers or crew who have access to or handle classified material and communication equipment. This equipment will include, but is not limited to the following:

- Fleet Broadband( FBB) 500;
- Iridium mobile satellite phone service;
- Secure Communications Transceivers;
- A Next Generation Wideband (NGW) including GFE classified and unclassified local area network (LAN) capability;
- Any other Government installed communication equipment which may be required.

**1.5.2.2 Radiotelegraph Messages.** The ship shall be capable of transmitting and receiving terrestrial radio teletype messages.

**1.5.2.3 Radiotelephone Services.** The ship shall be capable of radiotelephony over terrestrial and satellite circuits in the VHF, HF, MF bands as described in COMSCINST 2000.2 (series) (MSC Communications Manual).

**1.5.2.4 Secure Communications.** The ship shall be capable of supporting secure (encrypted) communication equipment by complying with DoD and DON guidance on proper access, and shall be capable of handling and disposing of classified material. The following publications contain physical security requirements.

- DoD Manual 5220.22 (series) (Industrial Security Manual for Safeguarding Classified Information) and DoD 5220.22 (series) (COMSEC supplement);
- SECNAVINST 5510.30 (series) and 5510.36 (series) (DON Personnel Security Manuals);
- COMSCINST 2000.2 (series);
- COMSCINST 2280.3 (series);
- Encrypted Key Management System Manual (series) (EKMS-1) which outlines Local Element custodial responsibilities for encrypted communications. A minimum of two ship's officers holding secret clearances shall be EKMS users;
- SECRET Security Clearances are required for any contractors, ship officers or crew who are given Local Element custodial responsibilities for required encrypted equipment.

**1.5.2.4.1 Communications Security (COMSEC).** The Master or an Officer-in-Charge (OIC on any ROS ship) is identified as a "Principal Authority" (PA) in support of COMSEC material. The Principal Authority shall adhere to guidance set forth in the MSC Communications Security Policy COMSCINST 2280.3 (series) to include but not limited to the following:

- Principal Authority shall submit to the Tier II parent account located in Norfolk, VA (a.k.a. "The Vault") a signed and dated "PA Turnover Procedure 04" document IAW COMSCINST 2280.3 (series)
- Both the on-coming and off-going Master (or OIC) are required to sign this document during each change-of-command procedure. The PA Turnover Procedure, when received by the Vault, results in the turnover being officially recognized.

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- The Master (or OIC) as PA can also act as the Local Element (LE) Manager, and shall sign the “COMSEC LE Manager Turnover 03” document. However, there shall always be at least two qualified EKMS users assigned aboard the ship. The Master (or OIC) can also appoint a qualified mariner in the crew as the Local Element Manager, in which case both the PA and the LE Manager shall have successfully completed the MSC sponsored EKMS / Local Element course..
- Both the on-coming and off-going LE Manager must sign the document once the on-coming LE Manager is confirmed to have the required security clearance and has signed the Classified Message System Acknowledge Form and provides the training certificate from the Government EKMS course of instruction. The LE Manager Turnover Procedure, when received by the Vault, results in the acceptance of the completed inventories being officially recognized.
- Local Element (LE) Managers are expected to complete COMSEC equipment Computer Based Training (CBT) that is directly aligned to COMSEC holdings on assigned vessel; specifically, the Simple Key Loader (SKL) and KG-175d CBTs. Training CBTs are located on the LE CD issued to each LE and will be made available during annual COMSEC audits.
- LE Managers are expected to be proficient in skillsets defined in the "COMSEC Local Element Skillset Audit" checklist. LE Managers will be expected to demonstrate proficiency during annual COMSEC Audits.
- All safe combinations shall be accompanied by a Standard Forms SF-700 and SF-702
- A Semi-Annual Inventory Report (SAIR) of COMSEC keying material, equipment and publications in June and December. The parent Tier II will forward an inventory list (SF-153) prior to each inventory.
- A Change-of Command Inventory Report (CCIR) is required to maintain continuous records of custody. The outgoing Principal Authority shall request a CCIR inventory from the parent account one week before being relieved. If the Principal Authority also administers the COMSEC account (EKMS Manager), that Authority must complete a Principal Authority Checklist provided by the vault personnel before Change of Command can be administered.
- Unmanned Secure communication spaces (Radio Shack) containing COMSEC equipment must be certified and be properly secured with a log placed outside the space where an appropriate log entry can be made by a roving officer every four (4) hours. The 4-hour log entry is not required if encryption devices in the Radio Shack are not fully operational.

**1.5.2.4.2 SIPRNET TOKENS.** Mariners required to access the SIPRNET network to meet the requirements of this contract are required to obtain a SIPRNET Token and utilize the token for authentication to SIPRNET assets. Mariner's must possess a valid Government CAC card and hold a Secret clearance to be issued a SIPRNET TOKEN.

**1.5.2.4.3 SIPRNET TOKEN TRUSTED AGENTS.** The Master shall designate two crew members to act as SIPRNET Token Trusted Agents. The SIPRNET Token Trusted Agents must possess a valid Government CAC card and hold a Secret clearance. Trusted Agents are required to complete the following:

- Complete the Trusted Agent training located at <https://infosec.navy.mil/PKI/tatraining.jsp>
- The Master will nominate the Trusted Agents in writing via the Trusted Agent Designation Memo. The template is located at <https://infosec.navy.mil/PKI/siprdoc.jsp> > SIPRNet TA Documentation.
- The Trusted Agents must sign an acknowledgement form that defines the Trusted Agent's supporting role and responsibilities. The template is located at <https://infosec.navy.mil/PKI/siprdoc.jsp> > SIPRNet TA Documentation.

**1.5.2.5 Communication Administrative Services.** The ship shall have Government provided standard office furniture necessary to support communications administrative functions in accordance with the procedures described in COMSCINST 2000.2 (series). These include a telephone connection to the interior communications system, a scanner and a paper shredder. The shredder shall be a crosscut type with a maximum size residue of 3/64 inch wide by 1/2 inch long that complies with SECNAVINST 5510.36 (series).

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**1.5.2.6 Communication Logs and Files.** The Ship shall maintain communications logs as required by regulatory bodies and COMSCINST 2000.2 (series). The Ship shall have appropriate software logs for classified and unclassified message traffic or secure file cabinets for retaining hard copies and deleting /disposing of these records as specified in OPNAVINST 5510 (series). A GSA-approved storage container with an electronic locking device (e.g. an X-09 series lock) for classified material must be used to secure classified material.

**1.5.2.7 MSC Cybersecurity And Network Scanning.** On a monthly basis the ship's crew will install the latest patch disks available for the ship's respective installed network. Upon completion of the patch disk installation the ship's crew will scan their network no later than the 20th of every month. Circumstances may prevent the timely delivery of the latest patch disk to a ship, in these instances, the ship will conduct scans based on the most current patch disks on hand for their network. Upon completion of the scans, the ship's crew will upload scans to the MSC Portal per Standard Operating Procedures provided by the MSC N6 Afloat IA Team.

## **1.6 ANTITERRORISM AND PHYSICAL SECURITY**

**1.6.1 General.** The Contractor shall comply with COMSCINST 5530.3 (series), which is the primary reference on antiterrorism and physical security matters and establishes minimum-security standards for MSC ships, and with COMSCINST 5521.1 (series), which is the MSC Security Screening Procedure. MSC Area Commanders will direct additional security measures as the local threat condition warrants.

**1.6.2 Crew, Vendor and Transient Vetting.** The Contractor and subcontracted personnel requesting unescorted access shall submit the Full Name, Date of Birth, Social Security Number, U.S. Passport Number, Nationality (Country listed on passport), crew rating and position for all crew members and visitors who are U.S. Citizens using the Government provided MSC/EPIC Force Protection Personnel/Crew list Submission Template to allow screening by the El Paso Intelligence Center (EPIC). The template must be filled out in its entirety by the Contractor and resubmitted electronically in Microsoft Excel format to the Government, at the following PM3 mailbox: [MSCHQPM3EPIC@NAVY.MIL](mailto:MSCHQPM3EPIC@NAVY.MIL). Submit crewmembers as they are identified to go to the ship(s). When a crew member is replaced, only submit that crewmember instead of submitting the entire crew list again when the new crewmember is submitted. All new personnel must be screened at the beginning of the hiring process prior to being sent to the ship. All personnel shall be resubmitted and re-screened every time they join/re-join a vessel, upon a change in contract or Contractor, upon transfer from one ship to another, and at least once in each 12-month period. A similar procedure shall be followed for all other Contractor personnel for whom unescorted access to the ships is required. MSC PM3 will notify the Contractor of any anomalous screening results requiring further action or investigation. Emails containing the Microsoft Excel attachment shall be written as follows:

- Subject line format is as follows: FOUO - PRIVACY SENSITIVE - EPIC – PM3 - NAME of SHIP - CREW or NON-CREW.
- All NON-CREW requesting unescorted access shall be submitted on one separate template for each different sponsoring company, and those revisiting the same ship in a CONUS Repair Availability need only be submitted once in 90 days. Ships in an extended Repair Availability Status beyond 90 days may allow non-crew contractor/vendor personnel to visit multiple times during the Availability without re-submittal. Non-crew members visiting multiple ships operated under this contract and located in the same geographic region may be submitted once in order to visit the multiple ships.
- Body of email is to begin and end as follows: FOR OFFICIAL USE ONLY - PRIVACY SENSITIVE. ANY MISUSE OR UNAUTHORIZED DISCLOSURE MAY RESULT IN BOTH CIVIL AND CRIMINAL PENALTIES.
- Submitter's name, company, address, and telephone number must be included in the email. Scanned lists are unacceptable. Additionally, if there is any scheduled crew change or rotation, or non-crew are requesting access, this above information is to be provided on the template at least four (4) working days prior to the change.
- The Microsoft Excel attachment shall be password protected using the Microsoft password option. The password will be provided by MSCHQ N34. Access to personal information by contractor employees shall be on a need to know basis. To obtain the password, contact N34 at MSCHQ, 202-685-5378.



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- A Microsoft attachment can be password protected as follows: Open the template (spreadsheet) and click on Tools and then Options. In the Options drop down menu, click on Security. Then enter the password and click on OK. Then you will be asked to re-enter the password. Password is case sensitive.

- 1.6.3 Control and Escort Visitors.** Only approved visitors shall be allowed onboard. United States Military and Civilian Government personnel possessing a valid background investigation do not require screening/vetting. All other visitors shall be screened/vetted through MSCHQ/PM3 using the Government provided MSC/EPIC Force Protection Personnel/Crew List Submission Template. MSCHQ will notify the Contractor of any anomalous screening results requiring further action or investigation. All visitors shall be issued numbered; color-coded badges indicating whether or not escort is required while onboard ship. The Gangway Watch shall log all visitors on and off the ship.
- 1.6.4 Support Embarkation's and Public Affairs Activities.** When operationally employed, all requests for embarkations must meet the requirements of COMSCINST 3121.9 (series) for screening distinguished visitors. Public affairs events and statements shall be approved and coordinated in advance with the ship's Operational Commander and standing public-affairs guidance issued thereby; prior notice to COR is also required.
- 1.6.5 Security in Port.** For ships in port, the Contractor shall provide, at its own expense, a gangway security watch and roving patrol in accordance with COMSCINST 5530.3 (series). The gangway security watch shall keep a log of all arrivals and departures of non-assigned personnel. When visiting ports which pose higher than normal security threats, MSC may require additional security measures to meet a Force Protection Condition (FPCON) set by the Fleet Commander. The Contractor will be reimbursed for reasonable and direct expenses actually incurred in implementing any additional security measures including additional security guards authorized by MSC.
- 1.6.6 Security at Sea.** The Contractor shall implement shipboard security measures against terrorism, hostage situations, demonstrations, sabotage, piracy or hostile acts at all times, with increased situational awareness while sailing in high threat areas. The Contractor shall display appropriate international signals indicating special operations or dangers to navigation for approaching ships and shall comply with MSC Standard Operating Manual (SOM), COMSCINST 3121.9 (series).
- 1.6.7 Operational Security (OPSEC).** The Contractor shall train crews in OPSEC awareness. The Contractor shall take the following minimum precautions, as directed by the Operational Commander:
- 1) *Personal Security.* Avoid telephone discussions or face to face conversations that can be overheard by unauthorized personnel when discussing mission related information. Avoid discussing any aspect of operations or capabilities outside the work place, and indications that strangers have focused on an individual or have a probing interest in ship operations. Where terrorism is a threat, instruct personnel to vary routines and predictable habits and travel in groups for safety.
  - 2) *Physical Security.* Information concerning physical guards, space security, firearms onboard, custodial controls, emergency destruction procedures and capabilities, and threat reaction procedures and capabilities should remain closely held. Emergency action drills to practice responding to threats should not be observed by anyone other than authorized crewmembers.
  - 3) *Ship Arrivals in Port.* The knowledge of a ship's scheduled port calls should be restricted to those members of the Contractor's staff with a need to know. Arrange travel of port engineers or operations personnel, and shipment of supplies, so as to limit forewarning of a ship's actual arrival.
  - 4) *Ship Departures.* To the degree possible, make arrangements for sailing in a way that conceals and limits knowledge of sailing intentions (date and hour). As practicable, avoid obtaining items such as charts and other materials that might indicate the future areas of operations of the ships.
  - 5) *Operations.* Maintain radio silence on HF, VHF, or UHF except as authorized by fleet commanders. Evasive maneuvers and recognition signals with U.S. aircraft or ships should be

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utilized as directed by fleet commanders.

- 6) *Reports.* Reports that can be used to determine patterns of ship movements and operations should not be released to international organizations.

**1.6.8 Contractor's Responsibility for Increased Security - Embarked Security Team (EST).** The Contractor is required to maintain each ship in the FPCON for its location. This may include the supporting of an embarked military security detachment or Embarked Security Team (EST) which will operate under their Joint Chiefs military chain of command and the Standing Rules of Engagement. Under Article 0847 of U.S. Navy Regulations and COMSCINST 5530.5 (series), the Master is relieved of responsibility for actions taken by the EST. The ships may also carry other embarked Government or commercial FP personnel as required in high threat areas. The Contractor will be reimbursed for extra guard service to include crew overtime for increased FP postures in high threat areas.

**1.6.9 Force Protection Implementation.** The Contractor shall ensure all shipboard Force Protection practices are in accordance with COMSCINST 5530.5 (series) and applicable Navy message updates.

**1.6.10 Government Furnished Force Protection (FP) Equipment.** The Contractor shall maintain all Government furnished FP equipment, including small arms, in accordance with applicable standards, and maintain accountability in accordance with COMSCINST 5530.5 (series).

## 1.7 MANNING

### 1.7.1 Various Status Manning:

**1.7.1.1 Full Operation Status (FOS) Manning.** During FOS, the ships will be manned according to Section 19 of the Technical Manual. Crews will work eight hours per day, seven days a week (including National Holidays). The Contractor will be required to maintain the FOS crew 24 hours a day, seven days a week. The Contractor is required to notify the COR in writing immediately as soon as a gap in a Certificate of Inspection (COI) billet is anticipated or identified and provide a corrective plan of action.

**1.7.1.2 Repair Availability (RAV) Manning.** In order to accomplish preventive maintenance as required by SAMM, monitor repairs and alterations, and to provide for required in-port security, the Contractor shall retain sufficient personnel during overhauls and other availabilities when the ship is in Repair Availability (RAV) Status. The RAV manning shall be in accordance with Section 19 of the Technical Manual. Crews will work eight hours per day, seven days a week (including National Holidays). If the Contractor requests changes in the RAV manning, a request along with full justifications shall be forwarded to the Contracting Officer at least 14 calendar days prior to the start of each availability. If part of the justification for retained crew includes ship's force repair work, a listing of ship's force (SF) as found in SAMM shall be provided. Reimbursement for RAV costs is addressed under Section F-4.

**1.7.1.3 Reduced Operating Status (ROS) Manning.** The Government reserves the right to put any ship into reduced operating status (ROS) at any time. The Contractor shall designate an Officer in Charge (OIC) for each ROS vessel. The ROS manning shall be in accordance with Section 19 of the Technical Manual. If the Contractor requests changes in the ROS manning, a request along with full justifications shall be forwarded to the Contracting Officer at least 14 calendar days prior to the start of the ROS period.

**1.7.2 Shipboard Personnel.** The Contractor shall man each ship with a complement of trained, qualified, medically/dentally and psychologically fit personnel consistent with ship missions and projected areas of operation. The Ship's Master, Officers, and entire crew shall be U.S. citizens and must be literate in English and shall meet requirements of the USCG and STCW, and shall possess current, valid USCG documents commensurate with the tonnage and classification of the ship. Licensed personnel shall have the necessary endorsements on their USCG Merchant Mariner's Document for the job to which they are assigned, (e.g. GMDSS or Ozone Depleting Devices (ODS)). All contractor personnel shall hold valid U.S. passports for the full length of this assignment. The Contractor shall develop and maintain a contingency plan adequate to ensure that there will be no interruption of services due to labor disruption within the Contractor's own labor force. Manning requirements are identified in Section 19 of the Technical Manual.

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Upon USCG approval of the Transportation Worker Identification Card (TWIC), all mariners shall carry a valid TWIC.

- 1.7.2.1 Right to Select.** The Contractor shall secure written agreements from the applicable maritime unions, if any, that specifically provide the Contractor with the right to select and reject each officer and the right to approve or reject each unlicensed crewmember. Copies of these agreements are to be provided to the Contracting Officer and COR.
- 1.7.2.2 Personnel Manning Shortage.** If the Contractor is unable to meet the manning requirements of this contract, the Government reserves the right to man the ships by whatever means necessary, and reserves the right to seek all remedies which it is entitled to under this contract.
- 1.7.2.3 Personnel Deficiencies.** In the event that the COR or Contracting Officer has any reason to be dissatisfied with the qualifications, conduct, or performance of any person assigned to this Contract by the Contractor, (for instance, a COMSEC reportable Incident), the Contractor shall, on receiving particulars of the complaint, investigate and take appropriate corrective action.
- 1.7.2.4 Continuity of Employment.** The Contractor shall make efforts to ensure continuity of employment to the greatest practicable extent among licensed and unlicensed personnel.
- 1.7.3 Squadron Flagship Manning.** In addition to the Contractor's crew, the ships listed below can expect to permanently embark Navy Squadron Staff and support personnel. The Contractor shall include the cost for lodging, hotel services and meals in their fixed rate per person as described in Section C-1.3.1.1. Each Squadron has a primary Flagship and an Alt-Flagship. Only one ship per Squadron shall be designated as Flagships at any one time.
- USNS BOBO  
USNS LUMMUS  
USNS BUTTON  
USNS LOPEZ
- 1.7.3.1 Additional Steward Personnel.** In accordance with Section C-1.7.11.1(Additional Crew) the Contractor may submit a request to the Contracting Officer for additional Steward Department personnel.
- 1.7.4 Crew Rotations.** All crew travel and per diem associated with crew rotations shall be included in the Contractor's fixed rate. Crew rotations shall be undertaken in a manner that does not compromise ship safety and ensures personnel and operational continuity :
- Prior to arrival onboard, all crew will have completed all required training included in section C 1.8
  - Prior to arrival onboard, all crew will have completed all required training included in section C 1.8.
  - The maximum crew rotation per billet per ship in any operational status is 4 times per year.
  - The Contractor shall ensure there is at least 30 days between the rotation of the Ship's Master and Chief Mate, and at least 30 days between the rotation of the Chief Engineer and 1st Assistant Engineer.
  - The Contractor shall not change nor rotate more than 50% of the crew in any one single evolution.
- 1.7.4.1 Travel to/from Diego Garcia.** The Contractor will be required to utilize Government -Air Mobility Command (AMC) transportation to and from Diego Garcia going through Bahrain or Singapore. Most aircraft are military with some chartered aircraft involved. The following information is provided to allow Contractors to properly budget costs of rotating crewmembers on Prepositioning ships at this location:

- The flights out of Bahrain and Singapore to Diego Garcia depart routinely on a daily basis in accordance with the AMC schedules. The approximate costs per mariner one way between

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Bahrain and Diego Garcia flight is \$1375 and between Singapore and Diego Garcia is \$1445 for any AMC flight, subject to change;

- AMC provides a round trip flight twice a month between Norfolk and Diego Garcia using the same aircraft (The Rotator Flight) which stops briefly at five scheduled points including Bahrain enroute to Diego Garcia and returning to Norfolk from Diego Garcia. The Rotator Flight charges each mariner \$3500 for one-way between Norfolk and Diego Garcia, subject to change.

**1.7.4.2 Delays in travel to Diego Garcia.** If a contractors' crewmembers are delayed in travel to Diego Garcia because Government flights are cancelled or delayed and the delay is caused through no action or inaction on the contractor's part, MSC will reimburse expenses associated with these delays with the following requirements and limitations:

- Costs associated with delays that entail two days or less will not be reimbursable;
- All reimbursements for delay beyond two days expenses are on a case-by-case basis;
- Reimbursements are limited to allowable expenses no greater than those provided to Federal Employees under the Joint Travel Regulations (JTR) and the Defense Travel Regulations (DTR);
- Reimbursement requests shall be accompanied by proper documentations (receipts, copies of cancelled orders, etc.);
- Travel wages will not be reimbursed, and
- Travel scheduled to Diego Garcia through Singapore will be at the Contractor's own risk and no reimbursement for delays will be entertained

**1.7.5 Special Crew Overlap.** In unusual circumstances the Contractor may consider it desirable to have crew overlap beyond that normally required to ensure ship safety and personnel and operational continuity. Such circumstances may include special evolutions, cargo operations, crew rotation, and maintenance availabilities. In such cases the Contractor may seek reimbursement for crew overlap provided that it has obtained the prior written approval of the Contracting Officer Representative (COR). Reimbursement of crew overlap shall be a matter within the Contracting Officer Representative's (COR) sole discretion and will be considered on a case-by-case basis.

**1.7.6 Personal Appearance.** The Contractor shall ensure that the appearance, dress and behavior of the officers and crew are a credit to the Department of Defense and Navy. The Contractor shall establish appropriate dress and grooming standards for all shipboard personnel. The Contractor's uniform policies shall ensure that officers, crew, and non-crew members are easily distinguishable from each other.

**1.7.7 Deduction for Crew Shortages.** The Contractor shall maintain a list of crew shortages (by billet) and will calculate wages and fringes associated with these shortages monthly. In accordance with Section G, a copy of this list shall accompany the per diem invoice for the covered period, and the total wage/fringe shortage values shall be reflected as a credit to the Government by a line item deduction on that invoice.

**1.7.7.1 Deductions for Key Shoreside Personnel.** Lapses in Key Shoreside Personnel coverage, or reductions in the dedication levels of Key Shoreside Personnel to less than dedication levels proposed by the Contractor in its final offer, will be subject to deduction in the applicable contract per diem rate.

**1.7.8 Key Shipboard Personnel.** Key Billets are the Ship's Master, Officer-in-Charge, Chief Mate, Chief Engineer, First Assistant Engineer, and Electronics Officer. Key shipboard personnel are required to hold a secret security clearance prior to assignment. The Contractor shall forward copies of current resumes, USCG licenses, STCW, Merchant Marine documents, copy of Passport, training records, and confirmation of DoD "secret" security clearances for each prospective shipboard key billet to the Contracting Officer Representative (COR) for approval at least thirty (30) days prior to their actual assignment to a ship. The COR will review all resumes submitted by the Contractor and will approve or disapprove the assignment to this contract of each individual. If the Government has any reason to be dissatisfied with the qualifications, conduct or performance of any shipboard person employed by the Contractor, the COR will provide particulars to the Contractor. The Contractor shall promptly investigate and take appropriate corrective



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action up to and including dismissal of the employee and notify the COR of action taken. See Section C-3.4.2 for Key Shore-based Personnel designations.

**1.7.8.1 Electronics Officer Qualifications and Documentation.** The Electronics Officer is defined as a Key Shipboard Person. Any individual nominated to fill this position must meet the above criteria, possess a current GMDSS Maintainer's Certificate, a SECRET Security Clearance and be able to document technical competency in electronic system fault diagnostics and maintenance through either:

- A minimum of two years of service as an Electronics Officer aboard MSC or Commercial ships; or
- A minimum of two years employment experience performing trouble shooting and repair of electronic and electrical circuits, Programmable Logic Controllers, LAN management, and electronic component diagnostics; or
- A combination of education and experience that provides an equivalent level of knowledge of ship electronic systems.

**1.7.9 Merchant Marine Cadets.** The Contractor shall participate in programs for Merchant Marine Cadets for training of engine and deck cadets under the sponsorship of the U.S. Merchant Marine Academy and all state maritime schools. Available positions shall be distributed as equally as possible among the requesting schools. The carriage of cadets shall not interfere with the carriage of personnel assigned by the Government on either a temporary or permanent duty basis. Subsistence, quarters, and training (as required by the cognizant school) shall be provided by the Contractor. Cadet wages shall be paid by the Contractor and reimbursed by the Government, but cadet wages shall not exceed the rate set forth in DOD Directive 5120.39 (series). Cadet transportation costs shall be paid by the Contractor and reimbursed by the Government, but shall not exceed the rate set forth in applicable DOD travel regulations. Government reimbursement of cadet wages and travel will be limited to two cadets per ship at any time. The Contractor is required to provide for each ship a quarterly report to the Government that lists the cadets who attended the ship, their status as deck or engine, and maritime school affiliation.

**1.7.10 Crewmember Emergencies.** Personal emergencies which arise while the ship is operationally employed will not be considered justification for aborting a mission or making a port call solely to accommodate the emergency. Additionally, there will be times when no personal communications may be transmitted from the ship. The appropriate course of action for handling personal emergencies at sea will be decided on a case-by-case basis by the Ship's Master and/or Medical Person in Charge in consultation with the Operational Commander. Any cost associated with personal emergencies shall be borne by the Contractor.

## **1.7.11 CREW COSTS**

**1.7.11.1 Additional Crew Wages and Transportation.** When approved by the Contracting Officer, the Contractor shall be reimbursed for crew wages, transportation, and subsistence and lodging expenses for additional crewmember(s).

**1.7.11.2 Overlapping Crew Wages.** The Contractor's fixed rate shall include a two-day on board turnover period when replacing Ship's Master, Chief Mate, Chief Engineer, 1<sup>st</sup> Assistant Engineer and Electronics Officer. The Government, as referenced in Section C-1.7.5 (Special Crew Overlap), may reimburse additional overlapping crew wages and travel expenses with prior Contracting Officer approval. The Contractor shall not change out/rotate more than 50% of the crew in one evolution.

**1.7.11.3 Overtime as Fixed Price.** The Contractor shall comply with the manning requirements specified in Section 19 of the Technical Manual. The Contractor's fixed priced FOS per diem rate shall include the full wages for each crew member for an eight-hour workday, seven days per week including weekends and holidays - 56 hours per week per person. Overtime incurred for maintaining routine deck and engineering space watches at sea and in port (including weekends and holidays) shall be part of the fixed price per diem. This includes the routine in-port gangway security watch including roving patrol duties.

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**1.7.11.4 Overtime as Reimbursable Costs.** Overtime unrelated to watch standing that is incurred beyond the eight-hour workday shall be reimbursable in accordance with the Contractor's approved annual overtime budget. This includes overtime for cargo operations or extra mariners who are assigned to stations or patrols due to increased security in high threat conditions. When the Contractor expects funding expended for overtime to exceed 85 percent of the total overtime budget, the Contractor shall notify the Contracting Officer in accordance with section G-8.

## **1.8 CONTRACT TRAINING REQUIREMENTS**

**1.8.1 General.** For the length of this contract, the Contractor shall ensure that each mariner meets all Federal (i.e. USCG, EPA, FCC) state and local governmental training requirements that are presently in effect or that may be imposed by those agencies in the future. These training requirements include, but are not limited to GMDSS; Chemical Testing; OPA 90; Ozone Depletion Substances; HAZMAT, and Maritime Transportation Security Act (MTSA). The costs of such training are to the Contractor's account.

**1.8.2 STCW Training Requirements.** For the length of the contract, the Contractor shall ensure that each mariner meets all current STCW training requirements for their rating. The Contractor shall also ensure that all mariners meet any future STCW training requirements at the time they come into effect. The costs of present and future STCW training are borne by each mariner to maintain their documentation.

**1.8.3 Cost of Training.** All costs associated with MSC required training, including travel, are to be included in the Contractor's fixed rate.

**1.8.4 Contractor Training Plan.** The Contractor shall develop training and indoctrination programs to conduct MSC-required courses. The completed development of all programs and courses shall become a deliverable under Section F-5. Sixty days after contract award, the total training package shall be presented in a Training Plan and submitted to the Contracting Officer for approval. Actual course materials including lesson plans may be requested for inspection by the Government in conjunction with Government acceptance procedures for this deliverable. Replacement crews shall successfully complete all required training prior to assignment to a ship. For courses and/or programs that can only reasonably be conducted onboard ship, replacement crews must complete training within 30 days of reporting onboard or prior to operating the applicable equipment or systems, whichever occurs first. The Government retains the right to attend any or all training sessions.

**1.8.5 MSC Required Training.** All mariners shall have successfully completed training in the subjects below prior to reporting onboard the ship. These courses shall have a periodicity of five (5) years. See Section J, Attachment Q – Training information for estimated cost and locations of MSC approved training. Note: Information provided in Attachment Q is for informational purposes only and is subject to change without notice and is therefore not in any way guaranteed by MSC.

- **Damage Control:** Either a U.S. Navy General Shipboard Damage Control Training (K-495-0045) or a MSC approved Damage Control course.
- **Marine Environment:** The MSC approved Marine Environmental Programs course.
- **Basic Chemical, Biological, Radiological (CBR)-Defense:** In accordance with Section C-1.8.12.
- **Helicopter Fire Fighting:** On Air Capable Ships, U.S. Navy Shipboard Aircraft Fire Fighting course (J-495-0413) or a MSC approved Helicopter Fire Fighting course.

**1.8.6 Readiness Refresher Course.** Any mariner with previous training in a U.S. Navy or MSC approved course in Damage Control is eligible to complete a MSC Readiness Refresher course every five (5) years.

**1.8.7 Helicopter Operations Training on Air Capable Ships:** The Contractor shall ensure that appropriate crewmembers of Air Capable Ships are trained for Aviation Facility operations in accordance with COMSCINST 12410.17 (series). Members of the Helicopter Fire Fighting Teams shall have successfully

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completed the MSC approved Readiness Refresher Course for Helo Fire Fighting. The course shall have a periodicity of five (5) years.

- 1.8.7.1 Helicopter Fire Fighting Teams.** In accordance with the NAVAIR 00-8R-14, AFFF hoses shall be deployed to the scene using maximum personnel participation. When in place, a hose team shall consist of the AFFF hose with a minimum of five persons (maximum seven) on each 2-1/2 inch hose; and a minimum of three persons (maximum five) on each 1-1/2 inch hose. A minimum of ten (10) crewmembers shall be designated as aviation firefighting team during flight operations.
- 1.8.7.2 Helicopter Control Officer (HCO).** At least two officers assigned simultaneously aboard ship shall be trained as Helicopter Control Officer by successfully completing the US Navy's Helicopter Control Officer's Course (D/E-2G-0200) every five (5) years. Either HCO cannot substitute in place of either of the two Landing Signal Persons who are also simultaneously assigned aboard the ship.
- 1.8.7.3 Helicopter Landing Signal Enlisted (LSE).** At least two mariners assigned simultaneously aboard ship shall be trained as Landing Signal Personnel. The Landing Signal Persons shall successfully complete the US Navy's Landing Signal Enlisted (LSE) Course (D/E-600-0506) every five (5) years.
- 1.8.8 Shipboard Propulsion Fuels and Oils and JP-5 Systems and Testing Course.** (For USNS STOCKHAM) Any Air Capable MPF ship capable of refueling a helicopter, in order to maintain full flight-deck certification, must assign as ship crew an Engineering Officer who has successfully completed the Shipboard JP-5 Systems and Testing course CIN K-821-2142 offered at the Center for Naval Engineering in order to operate the JP-5 fueling systems properly.
- The Shipboard Propulsion Fuel and Oil, JP-5 System and Fuel Testing course is designed to provide handling personnel the basic knowledge and the skill necessary to operate/maintain, propulsion/JP-5 shipboard fuel systems, and to monitor the quality of shipboard fuels through a vigilant fuel testing program; and to provide familiarity with logs, records, and reports necessary to monitor fuel and oil usage.
  - The course provides instruction on the physical properties of propulsion/JP-5 fuels used in Navy ships and aircraft and the significance of the quality test performed thereon; functional training regarding steps and procedures to conduct required quality surveillance testing of propulsion, JP-5 fuels and oils used in Navy ships and aircraft; lubricating oil management, the Navy Oil Analysis Program (NOAP) and logs, records, pollution abatement and control, and reports needed to monitor shipboard fuel and oil use; and characteristics and hazards of fuel tanks, transfer, stripping and service piping, puMPF, and filters.
- 1.8.9 Anti-Terrorism Awareness Training Level 1.** All mariners shall complete the U.S. Navy Level 1 Anti-Terrorism Awareness training annually. This course is available online at <https://atlevel1.dtic mil/at/> and may also be taught aboard ship by the ship's Anti-Terrorism Officer (ATO).
- 1.8.9.1 Anti-Terrorism Officer Training Level 2.** At least one (1) ship's licensed officer shall be designated in writing as the ATO and shall have successfully completed a MSC Anti-Terrorism Level 2 course within the last three (3) years. The ship's ATO is responsible for conducting a shipboard Security Training Program in accordance with COMSCINST 5530.3 (series). All Masters shall take the Anti-Terrorism Level 2 course at least once in their career.
- 1.8.9.2 Anti-Terrorism Awareness Training Level 3.** Anti-terrorism Awareness Training Level 3 shall be successfully completed by Masters every three (3) years by CD or on-line.
- 1.8.10 Small Arms Training and Qualification.** Crewmembers called upon to bear small arms in the performance of their duties shall successfully complete U.S. Navy or MSC approved annual Small Arms Training in accordance with COMSCINST 5530.3 (series). The Contractor shall ensure each of these crewmember's small arms qualification certificates do not expire during the assigned duty tour.

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- 1.8.10.1 Small Arms Sustainment Training.** All small arms qualified crewmembers called upon to bear small arms in the performance of their duties are subject to semi-annual training in accordance with COMSCINST 5530.3 (series) within 6 to 8 months after receiving initial qualification training. This semi-annual training shall consist of a qualified instructor conducting live fire or the ship ATO conducting and documenting shipboard simulator training such as the use of the BEAMHIT kit.
- 1.8.10.2 Warning Shot Assignments.** The Master shall ensure that those mariners whose duties may require them to employ warning shots are certified ashore or on board in accordance with COMSCINST 12410.50 (series).
- 1.8.11 Ship's Reaction Force (SRF) and Security Watch Stander Training.** In accordance with COMSCINST 5530.3 (series), and prior to being assigned to perform these duties, the contractor shall ensure that:
- 1.8.11.1 Ship's Reaction Force (SRF).** The Master shall assign a minimum of five (5) mariners to the Ship's Reaction Force (SRF) each of whom shall have successfully completed an MSC approved Ship's Reaction Force course every 3 years. These mariners must hold current small arms training certificates for the length of their tour of duty.
- 1.8.11.2 Security Watch Stander - Basic (SW-B).** Any mariner standing a security watch, to include but not limited to look out, gangway watch and/or roving patrol, shall have successfully completed an MSC approved Security Watch Stander – Basic course once in a mariner's career.
- 1.8.11.3 Security Watch Stander - Advance (SW-A).** Any mariner who will be issued a baton in the performance of their duties shall have successfully completing an MSC approved Security Watch Stander – Advanced course. Annual baton re-certification is required.
- 1.8.12 Basic Chemical Biological Radiological (CBR) Defense Course.** The Contractor shall ensure that all mariners successfully complete a MSC approved Basic CBR Defense course prior to joining the ship. The course shall have a periodicity of five (5) years.
- 1.8.13 CBR-D Officer Course.** The Contractor shall ensure that at least one (1) licensed officer shall have successfully completed a MSC approved CBR-D Officer's course within the last five (5) years. The ship's CBR-D Officer is responsible for conducting a CBR-D training program in accordance with COMSCINST 5530.3 (series).
- 1.8.14 CBR-D Indoctrination Training.** The Contractor shall ensure that all mariners successfully complete the annual MSC approved indoctrination training of threats, technical knowledge and equipment application, including mask size and fit verification. If such training is not achieved prior to joining the vessel, the CBR-D Officer will provide such annual training within five days of the individual reporting onboard the ship. This annual training does not replace the Basic CBR Defense training required for each mariner every five (5) years.
- 1.8.15 Maintenance and Repair Management Systems Competency.** Shipboard Engineering Officers and selected shore-based personnel shall maintain sufficient competency in the areas identified below such that compliance with contract requirements can be maintained. Competency can be obtained in various venues, from attending formal MSC hosted CMEC classes to instruction performed shipboard by experienced Engineering Officers. For Key Shipboard and selected Shore-based personnel, competency is required within one month of assuming ship or shore-based duties under this contract.

Competency Areas	Engineering Officers	Port Engineer	Deck Officers	Shore based Property Administrator
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# Exhibit 1

SAMM software	X	X	(1)	(1)
Logbook software	X	X	(1)	(1)
Deck log software	(1)	(1)	X	(1)
PENG Software	(1)	X	(1)	(1)
Web based CMLS Software	(1)	X	(1)	(1)
SHIPCLIP software	(1)	(1)	(1)	X
Shore Side Engineering Analysis Software (SEAS)	(1)	X	(1)	(1)
Chemical Treatment of Shipboard Systems	X	X	(1)	(1)
Lube Oil Supply Contract	X	X	(1)	(1)
Coatings Supply Contract	(1)	X	X	(1)
Used Oil Analysis of Shipboard Equipment	X	X	(1)	(1)
Bunker Fuel Analysis	X	X	(1)	(1)
Vibration Analysis of Shipboard Equipment	X	X	(1)	(1)

(1) Working knowledge is not required. Competency may be maintained if required by Contractor policy or procedures.

## 1.8.16 **RESERVED**

1.8.17 **Communications Training.** The Contractor shall ensure those mariners performing the communication duties on board ships have successfully completed the following courses:

- **Local Area Network (LAN) Administration.** Mariners assigned responsibility for the ship's LAN administration shall successfully complete the MSC sponsored shipboard LAN Administration Course once in the life of the contract. Mariners designated as LAN Administrators do not have unrestricted "privileged access" to Government computer equipment;
- **Next Generation Wideband (NGW) Operator.** Mariners who serve as NGW operators shall successfully complete the MSC approved NGW Operator Training Course once in the life of the contract;
- **Electronic Key Management System (EKMS).** The Master or OIC and a minimum of one (1) other mariner serving as Local Element (LE) Manager shall successfully complete the MSC sponsored EKMS / Local Element course for safeguarding and/or destroying classified material and maintaining safe combinations in accordance with COMSCINST 2280.3 (series). This training must be successfully completed every five (5) years. In addition, the designated EKMS Primary and Local Element (LE) Manager shall participate in the annual EKMS refresher training to be conducted during EKMS audits.; and
- **Information Assurance Awareness (IAA) training.** As required by DoD, any person (ashore or afloat) given access to a U.S. Government computer shall successfully complete the latest CD version DoD Information Awareness training at least once in every fiscal year (01 October to 30 September) and shall complete other cyber security training as directed by COMSC.

1.8.18 **Logistics/Supply Management, Government Training.** The Government will provide the opportunity for Contractor designated training/instructional personnel to attend MSC's Supply and Configuration Management training course. Upon the successful completion of the course by Contractor personnel, the Contractor will be provided with course documentation, including Instructional Performance Requirements Document, Instructor Guide, Student Guide, Visual Aids, and Test Materials. Thereafter, for the duration of the contract, the Contractor will provide training for shipboard personnel when necessary using Government approved course materials.

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**1.8.19 Medical Person in Charge.** The ship's licensed officer(s) who in accordance with STCW-95 Section A-VI/4, are designated to provide medical first aid on board shall have successfully completed the USCG approved course as Medical Person-In-Charge (M-PIC), and shall also:

- be trained and responsible for calibration and operation of the breathalyzer, or any other USCG approved device for determining blood alcohol content; and
- be responsible for gathering, packing and shipping of urine samples as part of the anti-drug use monitoring program; and
- maintain proficiency in CPR and AED procedures.

**1.8.20 Chief Steward Food Safety Training.** The ship's Chief Steward shall successfully complete the U.S. Navy's Food Safety Manager/Supervisor course (B-322-2101), or alternately, shall demonstrate food safety core competency by obtainment of a Food Protection Manager Certification via a CFP/ANSI (Conference for Food Protection/American National Standards Institute) accredited program/examination. All food safety managers/supervisors shall maintain food protection training requirements as set forth in COMSNINST 6000.1 (series). This training has a periodicity requirement of (5) years. The Chief Steward shall train all food handlers in the Steward Department to the CFP/ANSI standards.

**1.8.21 Combating Trafficking in Persons (CTIP).** The Contractor shall ensure that all mariners deploying overseas successfully complete mandatory training regarding combating CTIP, either before leaving the continental United States (CONUS) or upon boarding ship. All mariners shall receive the CTIP course briefing annually, the initial course being required every four (4) years, and the refresher course being taken during the intervening years. Each mariner's training shall be documented. Both initial and refresher CTIP training courses are available on CD-ROM for distribution to all ships.

## **1.9 Required Shipboard Training:**

**1.9.1 General.** The training cited in this part, generally, may be accomplished aboard ship, but in the case of some equipment, training may be better suited to teaching ashore. The Contractor shall ensure that mariners being assigned to any ship be familiar with their specific duties and with all ship arrangements, installation, equipment, procedures and ship characteristics that are relevant to their routine work or emergency.

**1.9.2 Ship's Training Materials.** The Contractor shall ensure that ship's training materials are maintained on board in accordance with 46 CFR 199.180 (a).

**1.9.3 Onboard Training & Instruction.** The Contractor shall ensure that all personnel embarked on the ships are trained in accordance with 46 CFR Part 15.1105 and 46 CFR Part 199.180 (b) and (g). Ships' Masters shall ensure ship mariners are trained and demonstrate their competence as to their duties in the respective ship's emergency and station bills.

**1.9.4 Rescue Boat.** Those mariners who will be involved in the launching, recovery, operation and maintenance of a ship's Rescue Boat shall, each tour of duty, receive from the Chief Mate a course of instruction and familiarization covering:

- Safety precautions during launch and recovery of the Rescue Boat in calm and rough seas;
- How to drive and maneuver the Rescue Boat in prevailing and adverse weather and sea conditions;
- Knowledge of the maintenance, emergency repairs, normal inflation and deflation of buoyancy compartments of the inflated Rescue Boat;
- The methods for starting and operating the Rescue Boat engine and the proper use of all of the Rescue Boats accessories; and
- Rescue techniques.
- Each mariner's training shall be documented

# Exhibit 1

**1.9.5 Shipboard Primary Equipment Training.** The Contractor shall ensure that all mariners who operate, repair, maintain or are otherwise directly responsible for the ship's primary equipment are trained in the operation, maintenance, repair, and safety aspects of each system and piece of equipment. Such training shall be in accordance with manufacturer's guidelines and regulatory requirements as required by 46 CFR Part 15. Initial training shall be performed by a manufacturer's representative. Training may be provided to other crew members by shipboard or shoreside key personnel provided the key person giving the training has been trained by the manufacturer once during the life of this contract. The mariners shall also demonstrate their competence in the operation and maintenance of the ship's equipment and systems to their department head prior to working on or operating the equipment or system. The periodicity of these courses is ongoing and is required whenever new equipment is installed. Shipboard Primary equipment includes, but is not limited to:

- Propulsion System (main engines, shafting, etc.);
- Ship Handling Systems (Steering Gear, Bow Thrusters, etc.);
- Electrical System (Generators, Load Centers, Motor Controllers, etc.).

**1.9.6 Cargo Handling Equipment (CHE) Training.** CHE includes stern ramp, side port ramp platforms, side port ramp, and cargo cranes as applicable. The Contractor shall arrange for or develop and teach a course that will train and certify those mariners who are responsible for operation, maintenance, repair, and all safety aspects of each piece of CHE as established by manufacture's guidelines and regulatory requirements. While not considered CHE, cargo hold watertight doors, stores cranes, and hatch covers are also subject to the above training requirements.

**1.9.7 Material Handling Equipment (MHE) Training.** The Contractor shall ensure that those mariners who are responsible for operating and maintaining the ship's MHE (forklift, container lift trucks, man lifts, spreader bars etc.) are properly trained and certified in the safe operation and proper maintenance of all MHE on board. At a minimum, the training course shall address manufacturer's operating and maintenance guidelines and regulatory requirements contained in 29 CFR 1910.178. At a minimum, the course shall be provided to all licensed deck officers except Ship's Master, all able bodied Seamen, including Bosun, the Chief Engineer, and at least one other licensed engineer. This training is required once for the period of the contract per each billet mentioned above.

**1.9.8 Drills, General.** The drills required by federal law and international agreements in accordance with 46 CFR 199-180, and drills required by MSC are listed in Section 26 of the Technical Manual. All drills shall be performed in a safe, practical and reasonable manner to simulate as closely as possible that an actual emergency exists. The crew's participation and performance during the drills should be critiqued after each drill in order to (a) validate preparatory training that has been conducted on board ship; and (b) validate the ship's emergency bills and procedures. Drill periodicities cited are minimums and do not preclude the conduct of drills more frequently in order to ensure the readiness posture of the ship to meet emergency situations.

**1.9.9 CBR-D and Countermeasure Washdown Systems (CMWD).** The Contractor shall maintain the ship's countermeasure washdown system, decontamination stations, CBR-D fixed systems and CBR-D equipment in operable conditions. Dry-rigging of the portable (nozzle/clip) washdown system shall be accomplished every 6 months with activation of one group of hoses at a time. When ships are laden with weather deck Prepositioning mission equipment, a wash down will be detrimental to the equipment. A full system activation shall be accomplished just prior to entering shipyard, and the Contractor shall notify the COR upon completion. In any event, care should be taken to periodically check nozzle clips for adequate coverage and markings, inspect hose connections and determine hydrant status by flushing.

C-2 - MAINTENANCE AND REPAIR

2 **MAINTENANCE AND REPAIR**

# Exhibit 1

- 2.1 MAINTENANCE AND REPAIR, GENERAL.** The Contractor shall maintain the material condition of all ships under this contract in accordance with the requirements outlined in Section 06.6 of the Technical Manual and all other applicable instructions, rules and regulations. This maintenance includes scheduling, managing, and documenting various preventive, predictive, and corrective maintenance actions in accordance with applicable ABS, U.S. Coast Guard, and MSC rules and policy.
- 2.1.1 Service and Technical Representatives.** Service and Technical Representatives. Service and technical representatives include all Original Equipment Manufacturer (OEM) or OEM-authorized representatives that perform equipment specific preventive maintenance, diagnostics, and repair actions. As a part of the annual Maintenance and Repair budget, the Government will reimburse the Contractor for service and technical representatives required to assist the Contractor with maintenance and repair. All reimbursement shall be in accordance with Section G-8. Actual travel costs shall not exceed daily per diem rates in effect at the time of travel as set forth in the Federal Travel Regulations, Joint Travel Regulations and Standardized Regulations set forth in FAR 31.205-46.
- 2.1.2 Services in support of other Government owned ships.** When a single subcontract for multiple ships is more efficient or cost effective for the Government, the Contractor may be required to provide services for other government owned ships not operated or maintained under this contract as directed by the Contracting Officer. These services shall be reimbursable in accordance with Section G-8 of the contract.
- 2.2 Calibration of Test Equipment, Meters, and Gauges.** The contractor shall perform gauge and instrumentation calibration on board each ship in accordance with Engineering Process Instruction (EPI) N0750-4734-001PI Shipboard Instrumentation Calibration Requirements (latest revision). The contractor shall review the existing Master Ship's Instrumentation List (MSIL) and submit any proposed changes to the MSC technical point of contact (TPOC) with a copy to the Contracting Officer. Ship specific MSIL documents shall be maintained on board each ship, but common calibration requirements should be managed at the class level by the contractor.
- 2.3 Alterations.** Alterations are defined as any change in hull, machinery, equipment, arrangement or allowance that involves a change in design, material, quantity or location of equipment and components in a ship. This includes replacement of original equipment with equivalent or improved equipment with a different model number or from a different manufacturer than original. This also includes any changes to electronic and communications gear. Alterations *do not* include substitution of equipment or machinery hardware components available through off the shelf stock procurement when substitution of such components will not alter the operation of the supported equipment and will not affect the provisioning of spare parts or technical documentation. The Government will retain control over the configuration of each ship. The contractor shall perform no alterations, regardless of the cost, to any ship without first securing the written approval of the Contracting Officer. The contractor shall manage the execution of and documentation of all alterations on ships in this contract. Each alteration shall be accomplished in accordance with COMSCINST 4700.2(series) (Alteration Management for MSC Ships), and as described below.
- 2.3.1 Contractor Alteration Requests.** The contractor shall assemble a TRANSALT Request Package by completing the Government provided Transportation Alteration (TRANSALT) request checklist (N720-4700-001-CA) and assembling the other information as required in Section 24 (Alteration Requests) of the MPF Technical Manual. The contractor shall electronically submit the TRANSALT Request Package to the Contracting officer with a copy provided directly to the designated Technical Point of Contact for this contract.
- 2.3.2 Alteration Approval.** The Contractor shall initiate no action towards the accomplishment of any alteration without prior written authorization of the Contracting Officer and approved funding. Alterations will not be funded from approved annual M&R budgets without Contracting Officer approval.



# Exhibit 1

- 2.3.3 Government Required Alterations.** There may be instances where alterations are necessary to meet changes to ships' mission capabilities. In these cases, the Contracting Officer may provide to the contractor a complete Government furnished TRANSALT document package including design drawings, Work Items, and other applicable technical documents required for successful implementation accompanied by a letter providing direction for implementing the alteration. Alternately, the Contracting Officer may issue a formal written request to develop an alteration document package to include design drawings, Work Items, and other applicable technical documents required to support the successful execution of the required alteration. Responsibility for procurement of material will be decided on a case-by-case basis, depending on the timeframe requirements to accomplish the alteration and whether the Government already possesses the material. In either case, the procurement action required will be indicated in the Work Item documentation. The contractor shall comply with ILS/Technical Documentation requirements in Section C-2.4.1 (Integrated Logistics Support (ILS)/Technical Documentation) and Section 16 (Logistic Support) of the Technical Manual to ensure timely and accurate invoice certification/reimbursement. Any necessary procurement action must comply with Section G-8.
- 2.3.3.1 Alteration Request Approval.** The Government will evaluate the TRANSALT Request Package. If the Government agrees that the proposed alteration is technically feasible, and represents a cost effective solution to the stated problem, the Contracting Officer may issue a letter granting approval of the proposed design changes as contained in the TRANSALT Request Package, providing a TRANSALT Number, and further direction as applicable. This does not constitute authorization to implement the specific alteration. The contractor shall initiate no action towards the accomplishment of any alteration without prior receipt of written authorization from the Contracting Officer and approved funding.
- 2.3.3.1.1 Additional Alteration Development.** When the TRANSALT request does not contain sufficient technical information to successfully implement, the Contracting Officer may issue a task letter to perform the required engineering development. Supplies and services required for such engineering development taskings will be reimbursable as a Directly Funded Item with prior Contracting Officer approval.
- 2.3.3.2 Alteration Scheduling.** For each ship in this contract, the contractor shall schedule approved alterations commensurate with their scope and complexity. The contractor may elect to schedule alteration execution as a Voyage Repair, Ship's Force capable item, or as a Shipyard Item. The contractor shall submit the desired TRANSALT execution schedule as part of the annual budget request.
- 2.3.4 Reimbursement for Alterations.** The Government will reimburse the Contractor for the contractually allowable costs of accomplishing all alterations and for the procurement of updates to technical documentation, with the exception of those alterations for which the crew may realize enhanced living conditions, labor savings, or other benefit. The Government will not reimburse the Contractor for any costs incurred in managing or administering the accomplishment of any alteration. Reimbursement for alterations must be submitted to the Contracting Officer in accordance with the Reimbursables Clause found in Section G-8.
- 2.3.5 Alteration Completion Documentation.** The contractor shall electronically submit a TRANSALT Completion checklist, updated drawings, parts lists, manuals and any other relevant technical data per the below requirements. The MSC designated Technical Point of Contact (TPOC) shall be copied on all submittals. Final payment for approved alterations may be withheld pending receipt of alteration completion documentation.
- 2.3.6 TRANSALT Approval / Completion Checklist (MSC Checklist N720-4700-001-CC).** When a TRANSALT is completed as part of a shipyard work package, the contractor shall submit a copy of the completed checklist with the Availability Completion Report required in Section 22 of the Technical Manual. The data provided on this form shall be inclusive of all directly related, actual prices.
- 2.4 Integrated Logistics Support (ILS)/Technical Documentation.** The Government requires ILS and technical documentation to support the life cycle operation of shipboard equipment and systems. ILS and technical

# Exhibit 1

documentation includes spare parts, technical manuals, special tools, test equipment, training, drawings, and technical support data.

- 2.4.1 Integrated Logistics Support (ILS)/Technical Documentation.** The Government requires ILS and technical documentation to support the life cycle operation of shipboard equipment and systems. ILS and technical documentation includes spare parts, technical manuals, special tools, test equipment, training, drawings and technical support data.
- 2.4.2 Acquisition of ILS/Technical Documentation for Planned Alterations.** Shipboard alterations all require the acquisition and approval of ILS/Technical Documentation concurrent with the equipment acquisition and prior to shipboard installation.
- 2.4.3 Maintenance of ILS/Technical Documentation.** The Contractor shall be responsible for maintaining the accuracy of the shipboard and shore staff technical documentation. The Contractor shall submit to PM3L the technical documentation for any configuration change performed during the course of the contract that causes or will cause a change in a ship's plan and/or a Manufacturers Technical Manual, or will necessitate the development of an additional plan and/or an additional Manufacturer's Technical Manual. In addition, as official changes in technical documentation are promulgated, the Contractor shall be responsible for filing OPNAV Form 4790.CK, Configuration Change Reports as required by COMSCINST 4790.3 (series), Equipment Configuration Management for Ships of the Military Sealift Command as detailed in Section 16 of the Technical Manual. Configuration Change Reports are to be electronically submitted to PM3L utilizing SHIPCLIP. The Contractor shall enter official changes to technical documentation in the Manufacturer's Technical Manual or on the ship's plan, and shall file appropriately any new Technical Manual or plan. The Contractor shall provide two (2) copies of the Manufacturer's Technical Manual for new equipment to COMSC, PM 3. A representative of the Contracting Officer may check the Contractor's maintenance of shipboard technical documentation at any time. The Contractor shall submit TRANSALTs in accordance with Section C-2.3.1 (Contractor Alteration Requests). Use of the Configuration Change Form does not negate this requirement.
- 2.4.3.1 Shipboard Plans and Technical Manuals.** The Contractor will be responsible for verifying the complete inventory of the ship's plans and technical manuals. The Contractor shall catalog the Technical Manuals, noting the location of each manual. Additionally, the Contractor shall maintain one clean copy in a central library with working copies available in separate locations. Any shortages must be reported to the Contracting Officer when identified. The Government will furnish, either directly or on a cost reimbursable basis, all shortages identified prior to turnover. The Contractor shall bear the cost of additional copies of any plan or manual above and beyond the complete shipboard inventory. With the exception of any additional plans and manuals which the Contractor may purchase the inventory of plans and manuals onboard each ship shall be regarded as Government Property. The Contractor shall be responsible for the replacement cost of any shipboard plans or manuals that are lost or are rendered unusable during the course of the contract.
- 2.4.3.2 Contractor's Shore Staff Plans and Technical Manuals.** The Contractor's shore staff will be furnished with one set of ship plans and technical manuals. The Contractor will be charged the Government's cost of reproduction for any additional copies required during the course of the contract. Technical manuals and drawings shall be turned over to any subsequent Contractor at the conclusion of the contract period. With the exception of any additional plans and manuals which the Contractor may purchase, the inventory of shore staff plans and technical manuals will be regarded as Government Property. The Contractor shall be responsible for the replacement cost of any plans or manuals that are lost or are rendered unusable during the course of the contract.
- 2.4.4 Automated Technical Data Management.** Each ship will be provided an automated record of; (1) the installed, fixed and portable, hull, mechanical, electrical, electronic equipment, test equipment and special tools; (2) allowance levels for associated parts support; and (3) an indication of applicable technical manuals/ references. The Government shipboard repository/record for this technical data is Shipboard Configuration and Logistics Program (SHIPCLIP). SHIPCLIP is an automated multi-user technical

# Exhibit 1

reference and retrieval software package providing a change reporting and feedback processing capability that supports the requirements outlined in Section C-5.4.1 -General Material Support. SHIPCLIP will be provided, installed and initial instruction / training made available by the Government to Contractor personnel at the commencement of the program.

**2.4.4.1 SHIPCLIP Software.** SHIPCLIP software is discussed in depth in Section C-5.4 (Government Furnished Property) and Section 15.6 of the MPF Technical Manual (Government Furnished Property) and is installed on each ship. The software shall be used to document the below actions.

**2.4.4.2 Allowance Change Request (ACR).** An ACR is utilized to request authorization to increase the range or depth of any material that is listed on an Allowance Part List (APL)/Allowance Equipage List (AEL), or for each item whose allowance levels are omitted, inadequate, or excessive to support 180 consecutive days of sustained operation at sea. Each request shall include the complete nameplate data of the item, the APL/AEL number of the component, the Tech Manual title, the Manufacturer's name, the number for the drawing, the quantity of components presently onboard, the quantity of components which is required, the quantity of components prescribed in the SHIPCLIP, the service application of the component (the system in which the component is used). ACRs are to be electronically submitted to PM3L utilizing SHIPCLIP. If a change in allowance level is determined to be appropriate, the Contractor will be sent allowance changes electronically with the next SHIPCLIP update. Approval of the ACR will provide the Contractor with the authority to change the shipboard allowance levels of the component and procure the item. The Contractor is required to submit ACRs with invoices to ensure accurate certification of invoices can be made for timely reimbursement. The Contractor will be reimbursed for the purchase of only those items which are either currently allowed, have been approved, supported/identifiable in SHIPCLIP.

**2.4.4.3 Configuration Change Report (CCR).** A CCR is utilized to document the installation, relocation, and/or removal of installed and/or portable equipment. CCRs are to be electronically submitted to Government staff utilizing SHIPCLIP. Examples of equipment changes requiring submission can be found in Section 25 of the Technical Manual.

**2.4.5 Fleet COSAL Feedback Reports (FCFBR).** FCFBR submission is required when any of the following conditions exist:

- Any of the following data is unavailable, incorrect or a substitute has been identified:
  - Repair part data
  - Technical documentation
  - Technical Support Data
- When equipment or parts are determined to be unsupportable (obsolete)
- Parts/equipment are procured by the Contractor or subcontractors outside of the Defense Supply System.

FCFBRs are electronically submitted to Government staff utilizing SHIPCLIP. The Contractor is required to submit FCFBRs with invoices to ensure accurate certification can be made for timely reimbursement.

**2.4.6 Reimbursement for Integrated Logistics Support.** Technical support data contained within SHIPCLIP will be the basis for certifying Contractor invoices to be approved. Complete, timely, and accurate submission of maintenance/feedback actions will ensure timely invoice certification.

**2.4.7 Shipboard Automated Maintenance Management System (SAMM).** The Contractor shall perform mandatory shipboard tests, inspections and maintenance actions as set forth by SAMM. The SAMM system schedules the minimum mandatory shipboard maintenance actions which the Contractor is required to accomplish, including machinery vibration surveys and lube oil sample collection and submittal in accordance with Sections 6.8 thru 6.11 of Technical Manual. These requirements do not relieve the Contractor of the responsibility to exercise professional judgment and skill in the maintenance of the ship's

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equipment or from the responsibility to make any additional tests, measurements and inspections that may be dictated by abnormal operating conditions.

- The SAMM computer software systems are tools provided to aid the Contractor to schedule, perform and document preventive maintenance (PM). The Government will provide initial instruction, familiarization and training to Contractor personnel at the commencement of the program.
- The Contractor is responsible for backing up the shipboard computer(s), including the SAMM client software and database, on a weekly basis at a minimum. If under any circumstances the SAMM software and hardware are inoperable, the Contractor shall retain hardcopy records of preventive PM accomplishments until the SAMM software or hardware problems have been remedied. All PM accomplishments shall be transcribed into the SAMM system.

**2.5 Accomplish Voyage Repairs.** The Contractor shall be responsible for ensuring the accomplishment of all necessary voyage repairs. Voyage repairs, for the purpose of this contract, are defined as any repairs to the ship or its systems that are accomplished during scheduled port visits that do not require a change in the ship's operating schedule. To the maximum extent possible, the Contractor shall use ship's force to accomplish all voyage repairs considered to be within the capability of the crew with no impact to the operational schedule. All voyage repairs shall be documented in accordance with Section 6.8 of the Technical Manual.

**2.5.1 Government Identified Voyage Repairs.** The Government may identify needed voyage repairs as a result of formal or informal surveys and inspections. Although the Contractor may receive copies of correspondence identifying voyage repair requirements from these inspections, the Contractor must receive direction from the Contracting Officer prior to taking action if cost exceeds the subcontract threshold Section C-2.6.1 (Industrial Assistance Procurement). Upon receipt of this direction, the Contractor shall accomplish these voyage repairs in a timely manner.

**2.6 Industrial Assistance Procurement and Management.** The contractor shall procure industrial assistance when the scope and complexity of the required repairs are beyond the crew's capabilities or additional resources are required. The contractor shall manage all industrial assistance in accordance with the procedures set forth in this section and in Section 06.7.2 (Corrective M&R) of the MPF Technical Manual. Costs of parts, materials and services associated with industrial assistance will be reimbursable when the industrial assistance is performed in accordance with this section. Failure to procure industrial assistance in the manner required by this section will result in such supplies and services being non-reimbursable.

**2.6.1 Industrial Assistance Procurement.** The Contractor shall obtain the following approvals prior to entering into any industrial assistance subcontract when:

**COR Approval:**

- The price of any single subcontract is anticipated to exceed \$50,000 up to \$500,000.
- The aggregate total price of all subcontracts to be accomplished during a single repair period is expected to exceed \$50,000 up to \$500,000.

**Contracting Officer Approval:**

- The price of any single subcontract is anticipated to exceed \$500,000.
- The aggregate total price of all subcontracts to be accomplished during a single repair period is expected to exceed \$500,000.
- The placement of any subcontract for a Separately Funded Item (Section C-4.4 (Separately Funded Items)).

The consent request shall be submitted on the contractor's corporate letterhead at least ten business days prior to the planned start date, and contain at a minimum:

- A summary of the problem that requires industrial assistance to correct
- A summary of the required repairs



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- The contractor's independent cost estimate
- The proposed subcontract award price
- An analysis of offers
- The contractor's determination that the price is fair and reasonable
- A subcontract award recommendation with justification
- For shipyard subcontracts only, the terms and conditions of the proposed subcontract. The contractor shall furnish other subcontract terms and conditions if requested by the Contracting Officer.

**2.6.2 Provision of Studies and Assessments:** The Contractor may be required to provide specialized technical or industrial assistance to perform studies and/or assessments of prepositioning matters including but not limited to feasibility of calling potential ports, capability of vessel(s) performing certain types of cargo operations, root cause analyses, and the ability of the vessel(s) to perform unique missions. Any direct costs beyond those otherwise in the fixed rate shall require prior approval of the Contracting Officer.

**2.6.3 Growth to Subcontracts.** The Contractor shall negotiate and accomplish all change orders for growth work associated with any subcontractor. The Contractor shall be responsible and accountable for properly and accurately documenting all change order actions, inclusive of fair and reasonable price determination regardless of dollar amount. The Government will reimburse the Contractor the fair and reasonable costs for the repairs accomplished in accordance with Section G-8. For Directly Funded Items specified in Section C-4.3, the Contractor is limited to the amount of funding identified in the Contracting Officer approval letter.

**2.6.4 Growth Approval.** The Contractor shall request COR approval for any pending growth change order(s) with an estimated cost in excess of \$50,000 up to \$500,000. This threshold also applies to multiple change orders for a single subcontract where the aggregate value of all pending change orders is in excess of \$50,000 up to \$500,000. The Contractor shall request Contracting Officer approval for any pending growth change order with an estimated cost in excess of \$500,000. This threshold also applies to multiple change orders for a single subcontract where the aggregate value of all pending change orders is in excess of \$500,000. These thresholds are only applicable to subcontracts funded by the maintenance and repair annual budget. If a subcontract was funded as a Directly Funded Item and there was no growth pool included, then Contracting Officer consent is required for all growth change orders regardless of cost. See Section C-4 for more information on the annual budget and directly funded items. Growth consent requests shall include the following information:

- The current or "As Found" condition of the equipment;
- A description of the required repairs;
- The Contractor's independent cost estimate;
- The proposed subcontract award price; and
- As applicable if in a shipyard availability:
  - Technical endorsement of the on-site Government representative (if on site)
  - A copy of the vendor/subcontractor change order, and
  - Reasons why this work could not or should not be deferred

**2.6.4.1 Growth Approval during Availability.** During ship availability periods, the Contractor shall request COR approval for growth on Category A Work Items only (or multiple growth requests for the same Work Item) with an estimated value in excess of \$50,000 up to \$500,000.00. COR approval authority is applicable only when funding is available from the Supplemental Labor & Materials growth pool, and shall not exceed the approval value provided by the Contracting Officer for the initial shipyard award. Growth requests for Category A Work Items that are in excess of \$500,000.00 (or multiple growth requests for the same Work Item that are in excess of \$500,000.00) require Contracting Officer approval.

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**2.6.5 Industrial Assistance Contractor Claims and Disputes.** In the event the shipyard or repair subcontractor files a claim or formal complaint against the Contractor, the Contractor shall immediately notify the Contracting Officer. This notification shall include a complete description of the factual basis for the claim, complaint or dispute, shall provide the positions of both the Contractor and the shipyard or repair facility, and shall provide the Contractor's recommendations for resolving the conflict. The Contractor shall include a thorough analysis of the claim using the information gathered pursuant to Section C-2.6.7.1 (Claims) of the contract as well as the Contractor's proposed course of action.

**2.6.5.1 Shipyard / Industrial Assistance Claims Clause.** The Contractor shall insert a clause substantially similar to the following in all contracts for shipyard availabilities and industrial assistance.

## Claims Clause:

**"Claims.** In the event that the Shipyard/Industrial Assistance subcontractor submits a claim or request for adjustment to the contract price, for performance of work under a contract, the Contractor shall provide:

- (1) A description of work required by the contract, including the citations to the contract, before the factual events which led to the claim;
- (2) A detailed report on the status of the work as originally required by the contract;
- (3) A description of new requirements or other events which led to the claim;
- (4) A list of components, equipment, and other identifiable property involved in the claim. The status of manufacture, procurement, or installation of shipyard/industrial assistance Contractor furnished property is to be indicated. The status of specified design and production work. Items of raw material, purchased parts, components, and other identifiable hardware, which are made excess by the change and which are not to be retained by the Contractor, and are listed for later disposition;
- (5) A description of work completed which is deleted, or will be deleted, by events which led to the claim;
- (6) A description of interferences and inefficiencies involved in performing the work;
- (7) A description of each element of work disruption and exactly how work has been, or will be, disrupted, including:
  - (i) The calendar period of time during which disruption occurred, or will occur;
  - (ii) Area(s) aboard the ship where disruption occurred, or will occur;
  - (iii) Trade(s) disrupted, with a breakdown of man-hours for each trade;
  - (iv) Scheduling of trades before, during, and at the period of disruption;
  - (v) Description of measures taken to lessen the disruptive effect;
- (8) Delay in delivery attributable solely to the events which led to the claim;
- (9) Other new works attributable to the events which led to the claim;
- (10) Supplementing the foregoing, a narrative statement of the direct causal relationship between any alleged act or omission of the Contractor or the Government, and the claimed consequences thereof, cross-referenced to detailed information provided as required above;
- (11) A statement of costs budgeted for the work as originally specified under the contract (prior to the events leading to the claim)."

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- 2.6.5.2 Claim Information Sufficiency.** The information furnished for each claim shall be in sufficient detail to permit the Contracting Officer to make a determination and take the appropriate contract action. The Contractor shall deliver in a timely manner to the Contracting Officer any requested additional information concerning the claim.
- 2.6.5.3 Reimbursement of Legal Fees for Claims.** In view of the Government's status as owner of the ships, contract claims may be filed and liabilities may be assessed against the Contractor pursuant to industrial assistance subcontracts. Therefore, the Government shall reimburse the Contractor for 80 percent of any reasonable legal expenses incurred in excess of \$1,000 arising out of any contract claim in excess of \$25,000 made against the Contractor pursuant to industrial assistance subcontracts; provided, however, that the Government shall not reimburse the Contractor under this provision for any contract claim which results from willful misconduct or lack of good faith on the part of any of the Contractor's managers, superintendents or equivalent representative(s). The Government shall use the standards found in the Equal Access to Justice (EAJA) (5 U.S.C. § 504; 28 U.S.C. § 2412 when determining the reasonableness of legal expenses. If the Contractor submits a claim for reimbursement of legal expenses pursuant to this Section, it must be submitted to the Contracting Officer in accordance with the Reimbursables clause found in Section G-8 of the Contract. Such invoices shall be marked "legal expense claim."
- 2.7 Shipyard Availability Procurement, Management, and Closeout.** For the purposes of this Section, "Availability", as defined in the Technical Manual Section 01 - Definitions, is considered to be a subset of Industrial Assistance. All requirements in Section C-2.6 (Industrial Assistance Procurement and Management) apply. The Contractor shall procure and manage shipyard services to comply with the provisions of this contract, conduct repairs as necessary during scheduled and unscheduled availabilities to maintain the ships within the required standards of material condition, to satisfy regulatory body and classification society requirements, and to accomplish Government directed work. The Contractor is reminded that Shipyard Availabilities are classed as a Directly Funded reimbursable expense; therefore all requirements in Section C-4.3 (Directly Funded Items) will apply. The Contractor shall adhere to the following procedures for all repair availabilities:
- 2.7.1 Availability and Inspection Schedule.** The ships shall be scheduled for overhaul in accordance with ABS and USCG requirements or as otherwise directed by the Government.
- 2.7.2 Availability Requirements.** The following requirements apply to all availability evolutions:
- 2.7.2.1 Required Contractor Attendance.** At least one Contractor's Port Engineer shall be present for the entire duration of all shipyard availability and industrial assistance activities where the value of the work is in excess of \$500,000 or as directed by the Contracting Officer. For any availability in excess of 14 calendar days, the Contractor shall provide at least two full time Port Engineers and an administrative assistant. The Contracting Officer may waive the number of Port Engineer requirements at the written request of the Contractor as special circumstances warrant. If the Contractor determines that any maintenance period for a ship that does not exceed 14 calendar days requires more than one Port Engineer, the Contractor shall provide a written request to the Contracting Officer (KO), including technical justification for the desired additional support.
- 2.7.2.2 Travel.** The Contractor shall submit consent requests for Port Engineer and POC for Operations or Port Captain travel in accordance with Section C-4.3.1 (Directly Funded Items) for OCONUS travel..
- 2.7.2.2.1 Travel OCONUS.** For OCONUS industrial assistance and alterations over \$500,000 and OCONUS pre-availability inspections, the Contractor shall be reimbursed for actual transportation costs in accordance with Section G-8. During an OCONUS availability, Contractor Port Engineers, POC for Operations or Port Captain, and Administrative Assistant are required to mess and berth aboard the vessel, unless otherwise approved by the Contracting Officer. If the required Contractor attendees are unable to mess and berth aboard the vessel, then prior Contracting Officer approval must be obtained in order for lodging, meals, and incidental expenses to be reimbursed. In the case in which the total number of PEP are not on board the vessel, the Contractor may consider the required Contractor attendees to be part of the manning

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levels listed in Section C-1.3.2 (Food and Hotel Services). The Contractor shall not exceed rates estimated in the Joint Travel Regulation (JTR) for all travel reimbursement costs. Reimbursement for airfare shall not exceed the lowest customary standard, coach or equivalent airfare offered during normal business. The Contractor will not be reimbursed for travel expenses without documentation, such as original receipts substantiating actual costs incurred for travel. Actual costs shall be considered reasonable, allowable, and reimbursable (in accordance with Section G-8) only to the extent that they do not exceed on a daily basis the maximum per diem rate in effect at the time of travel as set forth in the Federal Travel Regulations, Joint Travel Regulations and Standardized Regulations as set forth in FAR 31.205-46.

**2.7.2.2.2 Travel in CONUS.** Within CONUS, availabilities and industrial assistance travel costs for the above personnel shall be for Contractor's account.

**2.7.2.3 Use of Port Engineer's (PENG) Software.** PENG is the Government-provided software tool that Port Engineers shall use to create work items, assemble shipyard work packages, and manage shipyard repair subcontract execution during ship repair availabilities. The Contractor shall use the PENG software for ship repair availabilities with duration in excess of 14 days unless otherwise directed by the Government. Tech Manual Section 6.12 contains specific PENG usage requirements.

**2.7.2.4 Directly Subcontracted Work Items.** Any work items that are accomplished during an availability, but are not part of the availability work package (i.e. the items are managed directly by the Contractor and not via the availability subcontractor) are considered "Directly Funded" and shall be handled in accordance with Sections C-4.3 (Directly Funded Items) and C-2.6 (Industrial Assistance Procurement and Management).

**2.7.2.5 Credits to and Cancellation of Work Items.** If the Contractor determines that whole or partial accomplishment of a specific work item is not necessary, not possible, or not feasible during a specific availability, the Contractor shall submit an approval request to proceed with the whole or partial cancellation of the work. The Contractor shall request COR approval for credits and cancellation requests up to \$500,000 and shall request Contracting Officer approval for credits and cancellations in excess of \$500,000. The approval request shall include:

- An explanation justifying why the work cannot or will not be accomplished (include condition reports, change orders, or other documentation as appropriate);
- The Contractor's estimated credit to the shipyard or repair facility contract;
- The proposed negotiated credit to the shipyard or repair facility contract;
- The estimated time, if any, by which the repair availability would be reduced; and
- Technical endorsement of the on-site Government representative

Upon receipt of approval from the COR, or Contracting Officer, the Contractor shall cancel the work item in whole or in part, as approved. Costs associated with cancelled work items shall be deducted from the total subcontract price and shall not be used for additional work or growth items without COR approval.

**2.7.2.6 Status Reports.** For all availabilities that exceed 14 calendar days or as directed by the Contracting Officer, the Contractor shall submit a Weekly Status Report to the Contracting Officer in accordance with the format prescribed in COMSCINST 3540.6 (series) and Section 9 of the Technical Manual.

**2.7.2.7 Government Directed Availabilities.** Government required maintenance, repairs and alterations will normally be accomplished during availabilities. When operational requirements dictate this work to be performed at times other than these scheduled availabilities, the Contractor shall prepare for and manage such Government-directed availabilities in accordance with the requirements in Section C-2.7.2.4 (Directly Subcontracted Work Items) may be accomplished during these availabilities on a "not to interfere" basis.

**2.7.2.8 Onsite Government Rep.** During availabilities, the Government may have a representative onsite to monitor progress and report back to PM3. The Contractor shall make all efforts to keep the onsite Government rep informed of all issues throughout the availability. This requirement shall not negate the Contractor's responsibility to inform the Contracting Officer of the status and progress of the availability.



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## 2.7.3 Availability Planning

**2.7.3.1 Planning Letter.** Approximately 360 days prior to a ship's scheduled availability or Government-directed availability, the Contracting Officer will provide a planning letter to the Contractor, stating the approximate start and finish dates for the availability, the operational status of the ship during the availability, and the geographic area where the work shall be bid. The Government will also provide to the Contractor the daily amount of liquidated damages which shall be included within each availability solicitation. The Contractor should make all efforts to develop multiple ship work packages when feasible. The Contractor shall not be relieved of its duty to prepare for and administer the availability where the Government fails to issue the planning letter at least 360 days prior to the scheduled overhaul.

**2.7.3.2 Contractor Preparations for Availabilities.** The contractor shall develop a Plan of Action and Milestones (POA&M) in the preparation for and procurement of industrial assistance for shipyard availabilities in accordance with requirements in the planning letter. The contractor shall submit a POA&M to the Contracting Officer for approval within the time frame established in the planning letter. Any proposed changes to the POA&M require Contracting Officer approval. At a minimum, the Contractor shall include in the POA&M the following actions:

- Approximate start and end dates of Port Engineer's Pre-Availability Inspection.
- Date the complete Work Item Index will be passed to Government. Work Item Index shall regularly be updated to reflect changes to the scope as Work Item requirements and anticipated work is refined.
- Date the complete initial draft Work Package; including proposed RFP language and shipyard subcontract language ("front matter") will be available for Government review.
- Date Government comments on draft work packages are due. The Contractor shall permit a minimum of 30 calendar days for Government review of draft package.
- Date of Work Packages Reading Session.
- Date revised draft Work Items incorporating reading session comments will be available for review. The contractor shall use Microsoft Word's "Track Changes" to highlight all revisions made during the reading session.
- Date final version "clean" work package including final RFP and contracting front matter will be available for Government review. Date contractor requests consent to release solicitation.
- Date contractor will submit paint items to MSCHQ N712 Coatings POC for coatings quantity estimate as identified in Section 13.6.3 (Request for Estimate) of the MPF Technical Manual.
- Date contractor submits long lead time material consent request.
- Date contractor issues solicitation.
- Solicitation closing date.
- Date award recommendation submitted to Government.
- Date Government issues subcontract consent.
- Date of availability subcontract award to successful shipyard. (typically 90 days prior to availability start date, but refer to planning letter for specific requirements)
- Shipyard Availability start date.

**2.7.3.3 Pre-Availability Inspection.** The intent of the inspection is to as accurately as possible define the required scope of repairs and other work that will need to be accomplished so as to allow work items to be prepared and to minimize issuance of change orders after the shipyard subcontract has been awarded. The contractor shall schedule and conduct a pre-availability inspection in preparation for each availability. The inspection shall be scheduled and performed before the draft work package is submitted for Government review. The inspection shall address all major areas of the ship including, but not limited to regulatory body inspection requirements, machinery and equipment SAMM maintenance, piping system repairs, condition of coatings systems, alterations, etc. Outstanding Voyage Repairs in the SAMM system Repair Module and OCI findings in Web Tracker shall also be reviewed with senior officers of the ship(s) for potential incorporation into the work package. The contractor shall notify the Contracting Officer of the planned date and location of the inspection in order that Government representatives may attend. If the contractor

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believes that a pre-availability inspection is not necessary, a formal request for relief of this requirement must be submitted to the Contracting Officer detailing the reasons why the inspection is not necessary. Port Engineer travel for pre-availability inspection is reimbursable with prior Contracting Officer approval.

**2.7.3.4 Draft Work Package Preparation.** The Contractor shall include in the Plan of Action and Milestones (POA&M) sufficient time for:

- Assembly of Work Items into a Draft Work Package using data gathered from the Pre-Availability Inspection;
- Government review of the Draft Work Package. The Contractor shall permit a minimum of thirty (30) calendar days for Government review and comment on the Draft Work Package.
- Face to face reading session or teleconference with the Government technical staff to discuss the Draft Work Package;
- Government review of the revised Draft Work Package incorporating changes as a result of the reading session. These changes should be identified in the resubmission
- Assembly of Final Work Package incorporating relevant review comments; and
- Government review of Final Work Package

**2.7.3.4.1 Work Package Format.** The Contractor shall develop all work packages in accordance with the format prescribed in COMSCINST 4700.16 (series). The Contractor shall ensure that all port engineers have a working knowledge of the requirements of COMSCINST 4700.16 (series) prior to their assignment to an availability.

**2.7.3.4.2 Required Reports.** The Contractor shall, in each work package requiring drydocking, include provisions for the shipyard to prepare a drydocking report upon completion of the drydocking using DoD Form NAVSEA 9997/1 Rev 1-89. This form is obtainable from the Contracting Officer. The Contractor shall submit completed drydocking reports to the Contracting Officer, and retain copies onboard ship. A copy of the shipyard's drydocking plan (block spotting plan) shall be attached to each report. The drydocking report shall reflect any changes in weight added to or removed from the vessel for the purpose of accuracy in the Trim and Stability Booklet lightship data.

**2.7.3.4.3 Terms and Conditions Including Waivers of Maritime Liens.** The Contractor shall include contract terms and conditions in each work package. The terms and conditions shall contain shipyard or repair facility contract performance enforcement language necessary to ensure the requirements of the work package are met. In addition, the terms and conditions shall include provisions for liquidated damages for late delivery, interport differentials in bid evaluation where applicable, and the Waiver of Maritime Liens clause provided below. The Government may require the use of specific language for those required clauses as well as other specific terms of the subcontract. The Contractor shall ensure that all overhaul and repair contracts contain a clause substantially similar to the clause provided in section C-2.6.7.1 (Claims) of this contract. The Contractor shall submit proposed terms and conditions to the Contracting Officer for review and approval along with the first draft work package under this contract. Once approved, the Contractor shall not change the terms and conditions without the consent of the Contracting Officer. The contract terms and conditions must still be submitted with each subsequent draft work package.

- **Waiver of Maritime Liens.** Neither the Contractor nor any of its subcontractors shall be entitled to a maritime lien upon the vessel: The Subcontractor agrees that nothing in or contemplated by this contract creates or shall be construed to create any right to assert a maritime lien on the vessel or to bring an action under the Public Vessels Act, 46 U.S. C. app 791 et seq. or the Suits in Admiralty Act, 46 U.S. C. app 741, et seq.
- The Subcontractor further agrees that this contract between Operator and Subcontractor creates no privity between itself and the Owner and that it is relying solely on the credit of the Operator for payment hereunder. The Subcontractor agrees that it is not authorized by either the Owner or the Operator to enter into contracts on behalf of the Government or the vessel, nor is the Subcontractor entrusted with the

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management of the vessel or authorization to pledge the credit of the vessel. This contract is strictly for ship repair or alteration and does not create an agency agreement.

- The subcontractor shall indemnify and hold harmless the Government, its agencies and instrumentalities, and the Operator, against all suits, actions, claim, costs or demands against the Government, its agencies and instrumentalities and the Operator, for which the vessel and its owner may be subject under this subcontract.
- The subcontractor agrees to include, and require inclusion of, this clause, suitably modified to identify the parties, in all subcontracts at any tier for supplies or services and
- The Contractor shall cause all its subcontractors to execute similar waivers.

**2.7.3.4.4 Warranty Period Holdback.** The Contractor shall ensure that the terms and conditions for each solicitation contain language that requires 5% of the final contract value not be paid until the end of a 180 day warranty period. One half of the 5% final contract value may be invoiced after the first 90 day warranty period, and the remaining balance may be invoiced upon completion of the 180 warranty period. At the end of the warranty period, the Contractor can fully pay the shipyard. These terms cannot be altered without Contracting Officer approval.

**2.7.3.4.5 Liquidated Damages.** Daily liquidated damages, prorated for any portion of a day, will be specified in all availability solicitations. The Government will provide liquidated damages for each availability solicitation. Liquidated damages assessed against a subcontractor shall be reflected on the final availability invoice.

**2.7.3.5 Release of Work Package.** The Contractor shall submit the Final Work Package, as revised during the review period to the Contracting Officer with a request to release the package for bid. Upon receipt of the Contracting Officer's consent, the Contractor shall submit the work package and Request for Proposals (RFP) to repair facilities and shipyards within the geographic area defined in the planning letter or scheduled port. The solicitation of offers shall be based on the time frame established in the ship's schedule and as stated in the Planning Letter. The Contractor shall include in the solicitation provisions specific date, time and place for receipt of offers. If after releasing the work package for bid, the Contractor determines that additional time is required for the availability, the Contractor shall submit a request for additional time with full justification to the Contracting Officer. The Contracting Officer will review the requests and advise the Contractor of the final determination. RFP amendments shall be subject to Contracting Officer consent.

**2.7.3.6 Offeror's Review and Inspection.** The Contractor shall provide sufficient time in the POA&M for adequate review of the work packages by the interested repair facilities and for the scheduling of offerors' inspections or ship checks.

**2.7.3.7 Opening of Offers and Award of Contract.** The Contractor shall open offers at the time, date and place specified in the solicitation and report the results immediately to the Contracting Officer, both telephonically and in writing. The bid results shall be accompanied by the Contractor's recommendation for award of the subcontract. The Contractor's report shall include the name, location, total amount offered, cost breakdown for each item, and any exceptions taken by any repair facility with regard to the package or performance period. Based on evaluation of the opening results and Contractor's recommendation, the Contracting Officer may consent to the placement of the subcontract. In the case of availabilities in excess of fourteen (14) days, the Contractor shall permit in his POA&M schedule a minimum of ten (10) working days for the Government evaluation of results and the Contractor's recommendations and sixty (60) calendar days for availability preparation after award and prior to start of the availability.

**2.7.3.7.1 Interport Differential.** To determine which offer represents the lowest net price to the Government, the Contractor shall adjust all bid costs based upon a calculated interport differential cost. Interport differentials shall be computed on a per diem basis and shall be added to all offers when evaluating the

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offeror's pricing proposal. Interport differentials shall be established for each offeror's proposed overhaul port as shown in Section 23 of the Technical Manual.

**2.7.3.8 Long Lead Time Material Procurement.** In order to ensure that the subcontractor's availability production schedules are not unnecessarily disrupted, the Contractor shall ensure that all Government furnished and Contractor furnished parts and other material required for work package execution are on hand and available to the subcontractor at the scheduled start date. Long lead time materials are considered directly funded items. The Contractor shall comply with Section C-4.3 (Directly Funded Items).

**2.7.4 Availability Management:**

**2.7.4.1 Crew Retention During Availabilities.** In order to accomplish preventive maintenance as required by SAMM, monitor repairs and alterations, and to provide for required in-port security, the Contractor shall retain sufficient personnel during overhauls and other availabilities when the ship is in Repair Availability (RAV) Status. The RAV manning shall be in accordance with Section 19 of the Technical Manual. If the Contractor requests changes in the RAV manning, a request along with full justifications shall be forwarded to the Contracting Officer at least 14 calendar days prior to the start of each availability. If part of the justification for retained crew includes ship's force repair work, a listing of ship's force (SF) as found in SAMM shall be provided. Reimbursement for RAV costs is addressed under Section F-4.

**2.7.4.2 Execution of Availability Subcontract.** The contractor's Port Engineer(s) shall manage execution of the work in accordance with Section C-2.6 (Industrial Assistance Procurement and Management) and Section C-2.7 (Shipyards Availability Procurement, Management, and Closeout) such that all changes to the original work scope and schedule are properly documented and authorized.

**2.7.4.3 Availability Period Commencement/Completion.** The shipyard availability shall commence either at the time when: the vessel crosses the sill if going directly in dry-dock from sea, the vessel puts first line ashore if arriving at the contractor's facility from sea to a pier or at the commencement of any event or action required by the work package, whichever event occurs first. It shall cease only when all work specified within the terms and conditions within the shipyard availability solicitation have been completed to the satisfaction of the Contractor's port engineer and when all of the subcontractor's equipment, debris and personnel are removed and upon satisfactory completion of Sea Trials. The performance period shall be counted in 24 hour calendar days commencing at the hour and minute of delivery as noted above and shall contractually end at the hour and minute of the final calendar day.

**2.7.4.4 Periodic Subcontractor Payments.** The Contractor shall allow for periodic payments to the Subcontractor in all subcontracts for industrial assistance availabilities that are 30 days or longer in duration and in which the Contractor provides for progress payments to its subcontractors. Such periodic payments made by the Contractor, to be considered for reimbursement by the Government under Section G-8 of this contract, must have been conditioned upon the satisfaction of the following conditions:

- The Contractor shall ensure that costs comprising the subcontract progress payments are reasonable, allowable, allocable to the prime contract, and are consistent with sound and generally acceptable accounting principles; and
- The Contractor's Port Engineer, the on-site MSC representative, and the subcontractor shall meet and review the work completed prior to the Contractor and the Government deciding what amount of the progress of the work completed and the value agreed for payment.

**2.7.4.5 Availability Extensions and Liquidated Damages.** The Contractor shall ensure that all work is completed within the time frame established in the solicitation. The Contractor shall submit requests for availability extensions to the Contracting Officer in conjunction with growth and additional work authorization requests. These requests shall include full documentation justifying the need for the extension. Extensions shall generally not be granted where the delay is due to the repair subcontractor at any tier. The Contractor shall assess liquidated damages pursuant to Section C-2.7.3.4.5 (Liquidated Damages) of this contract for any additional time required to complete the work that is not agreed to by the Contracting Officer. In the

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event the delay is due to the Contractor's failure to properly prepare for or supervise industrial assistance, the Government may take appropriate action under the contract.

- 2.7.5 Availability Completion Report.** No later than forty five (45) calendar days after completion of any availability, the Contractor shall submit a Completion Report to the Contracting Officer. This report shall be submitted electronically as shown in Section 22 of the Technical Manual.
- 2.7.6 Life Cycle Planning.** The Contractor shall preview and update the previous life cycle reports, and submit the new life cycle plan every 6 months. The life cycle plan is a spread sheet that will be provided by MSC.
- 2.7.6.1 Life Cycle Plans Update.** The Contractor shall review, update and resubmit the Life Cycle Plan every six months by using an excel spread sheet which will be provided by MSC at contract turnover.

## C-3 - CONTRACT ADMINISTRATION

### 3 CONTRACT ADMINISTRATION

- 3.1 General.** The Contractor shall furnish at its expense all necessary personnel, facilities, equipment, consumable supplies, provisions, medical equipment and supplies, services and any other items required to perform the requirements of this Statement of Work (SOW), to the extent that these items are not expressly provided by the Government.
- 3.2 Services.** The Contractor shall provide the following at his own expense:
- All transportation to and from the ships, and handling, to move consumables and stores items;
  - Identification, sourcing, and procurement services of all supplies and material needed to maintain, operate, and repair the ship;
  - Husbanding services for the benefit of crew in all ports both foreign and domestic; and
  - All port services not specifically listed as Government furnished
- 3.3 Shore Facilities.** The Contractor shall establish and maintain administrative and logistic support facilities within CONUS.
- 3.3.1 Communications Requirements.** The Contractor shall have an electronic mail system and equipment installed at its primary office site to provide direct communications between the Contractor, COMSC, MSC Area Commands and Squadrons. If the Contractor elects to use field or satellite offices, they also shall be so equipped. The Contractor's central office shall also have secure telephone equipment (STE) capabilities to meet Government requirements for security. The Government will provide guidance and assistance for these requirements upon request. Cellular phone services are not reimbursable unless the Contracting Officer Representative's (COR) provides prior approval. Communication costs incurred for the convenience of the ship, its crew, or the Contractor's business are not reimbursable. Communication costs incurred by Contractor's home office shall be included in the fixed price portion of the contract.
- 3.3.2 Facility Security Clearances.** The Contractor is required to have a facility clearance at the SECRET level with a GSA approved safe that has an approved electronic combination locking device. It is the Contractor's responsibility to submit, in a timely manner prior to the beginning of the performance period, requests for facility clearance in the proper format based on Defense Security Service (DSS) guidance. The Contractor shall handle, store, and maintain classified material and shall comply with the requirements set forth in DOD 5220.22 (series), National Industrial Security Program Operating Manual, and DD Form 254, DOD Contract Security Classification Specification
- 3.3.3 Information Security Requirements.** The Contractor shall handle, store, and maintain classified material in compliance with requirements set by DOD 5220.22(series), National Industrial Security Program Operating Manual, and the DD Form 254, DOD Contracts Security Classification Specification for classified contracts. The Contractor shall implement InfoSec measures for its contractor furnished unclassified information technology system(s) used in performance of this contract. InfoSec measures shall



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be compliant with DFARS 252.204-7012, Safeguarding of Unclassified Controlled Technical Information. At a minimum, the security standards extracted from the referenced National Institute of Standards and Technology (NIST) Special Publication 800-53, Security and Privacy Controls for Federal Information Systems and Organizations, or accepted equivalents, shall be incorporated into any InfoSec program the contractor establishes

**3.3.3.1 DFARS Compliance Certifications.** The contractor's InfoSec measures shall be certified to be in compliance with DFARS 252.204-7012 by an accredited third party organization. The Contractor shall attain DFARS compliance certification within 60 days of commencement of performance under the contract, and shall maintain it continuously for the entire remaining period of performance. The Contractor shall notify the Contracting Officer within 24 hours if for any reason the certification is revoked. Costs associated with attaining and/or maintaining certification will not be reimbursed by the Government.

**3.3.3.2 Certification Documentation.** The Contractor shall provide a copy of the third-party DFARS 252.204-7012 compliance certification to the Contracting Officer and COR(s) in accordance with the below schedule. The Government reserves the right to contact the certifying institution directly to obtain additional information or to confirm the validity of the certificate or certification process.

- Initial certification to be provided to the Government upon receipt.
- If base period is six months or less, the initial certification is considered valid for both the base and first option periods.
- Thereafter, the Government requires the contractor to submit annual recertification documentation no later than 14 days prior to end of current performance period, except if it is the last performance period of the contract

**3.3.3.3 Handling of Non-Public Information.** In performance of this contract, the contractor may have access to DoD information not available to the general public or protected by public law or DoD policy. Such information includes but is not limited to: medical, proprietary, critical program information (CPI), personally identifiable information, and export controlled data. The contractor agrees to:

- Use and protect all such information from unauthorized disclosure IAW current Federal, DoD, and Navy instructions and regulations
- Return and/or electronically purge, upon Government request, any DoD information no longer required for contractor performance

**3.3.3.4 Remote Access to Government Networks.** Use of public networks or computers (e.g., library, coffee shop) to access Government networks is strictly prohibited. Use of personally owned devices to access Government networks in support of this contract is permissible only if explicitly allowed by and addressed in the Contractor's DFARS-compliant InfoSec policies.

**3.3.3.5 Cyber Incident and Compromise Reporting.** In addition to the reporting requirements contained in DFARS 252.204-7012, the contractor must immediately notify MSC of all cyber incidents or compromises, as defined in DFARS 252.204-7012(d)(2). The contractor shall also immediately notify MSC of all incidents involving classified information spillage onto unclassified networks or Personally Identifiable Information (PII) breaches. If immediate notification is not possible, then notification must be made no later than 24 hours after an incident has been identified or suspected. Initial cyber incident and compromise reports shall contain as much of the information required in DFARS 252.204-7012(d)(1) as can reasonably be provided in a timely manner. Submit initial and subsequent reports via encrypted email to all of the Government points of contact in the table below, as well as the COR(s). To the greatest extent practicable, MSC IA Ops and the COR(s) shall be copied on all correspondence with non-MSC Government agencies regarding reported incidents.

POC	Email Address
MSC IA Operations (IA OPS)	MSC_afloat_IA@navy mil
COMSC Command Security	MSC_Electronic_Spillage@navy mil

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- 3.3.3.6 Supplement to DFARS 252.204-7012.** The Contractor shall comply with the requirements of Navy, Marine Corps Acquisition Supplement (NMCARS) Annex 16, Statement of Work Language Implementing “The Dib” Memo.
- 3.3.4 Commercial Layberth Contract.** The Government may require the Contractor to solicit the services of a layberth facility. If the Government does require such a solicitation, all desired salient characteristics of the layberth will be communicated to the Contractor and all requirements for the facility subcontract will be jointly developed with both the Government and the Contractor providing input.
- 3.4 Contractor Shoreside Organization.** The Contractor’s shore-side organization shall be as identified in the Contractor’s successful proposal. Shoreside positions designated as Key Personnel shall include, at a minimum, Port Engineers, POC for Operations or Port Captain, POC for Contracting/Management and Property Control Manager. Changes to either the management structure or the key positions are subject to Contracting Officer approval.
- 3.4.1 Shoreside Personnel Hours of Work.** All Key shoreside personnel shall be available, as a minimum, between the hours of 0800 and 1700 East Coast time, weekdays. Outside of these normal business hours, including weekends, on a 24-hour basis, the Contractor shall provide a representative of the staff to respond to emergency requirements. The Contractor shall provide emergency call back service which consists of promptly responding to requests from the Contracting Officer, by telephone or other means, for emergency services at any hour.
- 3.4.2 Key Shore-based Personnel.** At a minimum, Key Shoreside Personnel shall be the Port Engineer(s), the Program Manager, the Port Captain, the Property Administrator and the POC for Contract Management. The Contractor shall submit resumes to the Contracting Officer with clearly defined experience summaries for all key personnel. The Contracting Officer will approve or disapprove the assignment to this contract of each individual. A final list of shore-based key personnel shall be submitted 15 days after the contract award. The Port Engineer, Program Manager and Port Captain shall be 100% dedicated to this contract. The percent of dedication of the other key personnel shall be as identified by the Contractor in its **successful** proposal. Changes to either the Contractor’s shore-based organization or the key positions are subject to Contracting Officer approval. If, for any reason, the Government is dissatisfied with the qualifications, conduct or performance of any person assigned to this contract, the Contracting Officer will provide particulars to the Contractor who shall promptly, independently investigate and take corrective action, as appropriate, up to and including removal of the employee from this contract. The employee will have no recourse to the Navy for any corrective action taken by the Contractor.
- 3.4.2.1 Number of Port Engineers.** The Contractor, in accordance with Section 3.4.2 (Key Shore-based Personnel), shall employ a sufficient number of Port Engineers. To effectively and efficiently manage all maintenance evolutions in support of this contract, the BOBO class shall have three (3) permanent Port Engineers, and the USNS STOCKHAM shall have one (1) permanent Port Engineer.
- 3.4.3 Security Clearances for Shoreside Personnel.** All shoreside personnel handling classified information<sup>3</sup> necessary to carry out their duties and responsibilities shall have a SECRET security clearance. Individuals shall possess the clearance prior to being given access to classified information.
- 3.4.4 Engineering Shoreside Personnel.** All Contractor Port Engineers identified as key personnel shall be US citizens capable of gaining a security clearance, and shall have the following minimum qualifications:
- A Port Engineer must also meet at least one of the following criteria.
    1. A minimum of three (3) years' experience as a Port Engineer having managed and negotiated at least two shipyard availabilities for ships not less than 4,500 tons DWT and more than 11,500 HP and award value greater than six million dollars. Experience gained while employed by a shipyard or while serving in the military may be applicable towards meeting this requirement if the duties

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and responsibilities of the positions are substantially the same as a Port Engineer. This experience must demonstrate their ability to effectively manage and negotiate complex projects such as shipyard dry dock overhauls and other types of repairs

2. A minimum of four (4) years' experience serving aboard ocean-going ships as a Chief Engineer (ChEng) or First Assistant Engineer (Main Propulsion Assistant (MPA)) and a combination of education and experience gained while employed by a Shipyard or while serving in the military performing duties substantially the same as a Port Engineer. This experience must demonstrate effective management of maintenance and repair of ocean-going ships.
- Formal training specific to port engineering must be completed (e.g., Fisher Maritime Port Engineer's & Owner's Representative's Course; or Fisher Maritime Contract Management for Ship Construction, Repair, and Design; or equivalent curricula). In addition, formal corrosion and coatings training must be completed (e.g., SSPC Fundamentals of Protective Coatings (C1) course or equivalent curriculum). All formal training must be completed within six (6) months after award.

**3.4.5 Qualifications of Program Manager.** The Contractor's Program Manager, identified as key personnel to support this contract, shall be a US citizen capable of obtaining and maintaining a secret security clearance and shall meet the following qualifications:

- Possess a minimum of five years of experience serving aboard commercial or government owned ocean going ships as Master, unlimited tonnage restriction; or as a Chief Engineer, unlimited tonnage restriction.
- Possess 10 years' total experience comprised of one or more of the following:
  - A degree in maritime competency (e.g. Marine Engineering, Marine Architecture, Marine Transportation, Nautical Science, Maritime Business). A bachelor's degree will count for three years' total education experience. A master's degree will count for four years' total education experience. A doctorate degree will count for six years' total education experience.
  - Experience gained while employed at a management level by a commercial ship operator.
  - Serving active duty in the military performing duties substantially the same as a Program Manager.

This experience shall demonstrate their ability to manage and negotiate complex projects such as dry dock overhauls and other types of repairs on ocean-going ships.

**3.4.6 Property Control Manager.** The Property Control Manager must have at least one of the following:

- At least five (5) years of experience in property management with specific skills in asset management; or
- Possess Certified Professional Property Manager (CPPM) certification from a certified body directly involved or indirectly connected with property management processes.

**3.4.6.1 Program Management Approach.** Upon award of the contract, the successful Offeror's proposal for Program Management aboard these MPF ships shall be incorporated in this section.

**3.4.7 Qualifications of Port Captain.** The Contractor's Port Captain, identified as key personnel to support this contract, shall be a US citizen capable of obtaining and maintaining a secret security clearance and shall meet the following qualifications:

- Possess a minimum of five years of commercial Port Captain experience, or
- Possess a minimum of five years of experience serving aboard commercial or government owned ocean going ships as Master or Chief Mate, unlimited tonnage restriction, or

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- Possess a bachelor's degree in a maritime competency (e.g. Marine Engineering, Marine Transportation, Nautical Science, Maritime Business) and three years documented sailing experience as a U.S. Coast Guard Deck Officer unlimited License.

## 3.5 SHIP DELIVERY, DELIVERY OF GOVERNMENT PROPERTY AND FAMILIARIZATION

### 3.5.1 Definitions:

3.5.1.1 Ship Delivery Defined. Ship delivery occurs when the Government delivers the vessel(s) to be operated under this contract to the Contractor as evidenced by a delivery certificate. The delivery date of the first ship delivered under the contract starts the contract period of performance.

3.5.1.2 Delivery of Government Property Defined. Delivery of Government Furnished Property excluding the vessel itself is a process that includes turnover of the official government property records on each ship's delivery date, the Contractor's verification of the property records during the 30 days following turnover of the official government property records and the Contractor's reporting of any deficiencies found. The verified official government property records shall serve as the baseline inventory for the remainder of the period of performance.

3.5.1.3 Ship Redelivery Defined. Ship redelivery occurs when the Contractor redelivers the vessel(s) to the Government as evidenced by a redelivery certificate. The redelivery date of the last ship redelivered under the contract shall be the end date of the period of performance.

3.5.1.4 Redelivery of Government Property Defined. Redelivery of Government Furnished Property excluding the vessel itself is a process that includes the performance of the turnover inventory 90 days prior to ship redelivery, presentation and certification by the Contractor of the results of that inventory 45 days prior to ship redelivery to the Government Property Administrator, analysis of the inventory by the Government Property Administrator, acceptance or rejection of the turnover inventory by the Government Property Administrator, and final acceptance of the property records. Redelivery of Government property occurs when the Contractor returns to Government Property Administrator the turnover inventory.

3.5.1.5 Phase-in, Phase-out Defined. Phase-in refers to the assumption of all contractual duties and responsibilities by the successful offeror. Phase-out refers to the relief of all contractual duties and responsibilities by the Contractor as they are assumed by the follow-on successful offeror. Section 20 of the Technical Manual lays out the milestones for transition of ships and property during the processes described in the following paragraphs of this section.

3.5.2 Ship Delivery. The Government will deliver the ships to the Contractor in accordance with Clause F-2, Place and Date of Delivery. There will be a staggered delivery of the vessels. No minimum amount of ship per diem workload is guaranteed. The ships, on delivery, will be U.S. flagged and all ABS and Coast Guard certificates will be current. The Contractor shall be responsible for requirements of the contract as of the delivery date of the first vessel. The Major Milestones, as detailed in Section 20 of the Technical Manual, are to be used as a guide by the Contractor to facilitate contract turnover. Government personnel will be available during the turnover periods to answer administrative and technical questions and assist in the assumption of tasks.

3.5.2.1 Familiarization. The familiarization period allows the Contractor's personnel time to become familiar with the operation of the ships including but not limited to machinery, auxiliaries, communications, and fire safety. For FOS ships, the Contractor shall have the following personnel on board the ships for a minimum 14 day familiarization period prior to transfer of the ship: Port Engineer, Ship's Master, Chief Mate, Chief Engineer, 1<sup>st</sup> Assistant Engineer, Storekeeper and Contractor's Property Manager. All remaining licensed officers shall report onboard each ship for a 7-day familiarization period prior to transfer. Unlicensed crew shall report onboard each ship for a one-day familiarization period prior to transfer. The familiarization

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period for the crew members shall not be necessary if the Contractor has proposed the same personnel/crew who are currently under contract and assigned to the ship.

**3.5.2.2 Familiarization Personnel.** Prior to receipt of a ship, the Contractor shall assemble a team for a minimum 14 day familiarization period in accordance with Section C-3.5.2 above.

**3.5.2.3 Familiarization Personnel Wages, Transportation, Subsistence and Lodging.** Costs associated with the familiarization period shall be included in the contractor's fixed rate. This familiarization period shall allow the Contractor's personnel time to become familiar with the operation of the ships including but not limited to machinery, auxiliaries, communications, and fire safety. The familiarization period shall not be necessary if the Contractor has proposed the same personnel/crew who are currently under contract and assigned to the ship.

**3.5.3 Contract Commencement Physical Inventories After Delivery.**

**3.5.3.1 Government Furnished Property Inventories (Delivery).** The Government will provide a commencement baseline inventory of GFP in Excel Spreadsheet format (including Sensitive Property, e.g., binoculars, Night Vision Devices and small arms). This commencement baseline inventory does not include storeroom repair parts. Following each ship delivery, a Government representative will be available for three (3) days to assist the contractor in becoming familiar with storeroom and storage layouts. The contractor shall have 60 calendar days from the date of receipt of the commencement baseline inventory to validate and become thoroughly familiar with the baseline inventory and the locations and quantities of Government property onboard. When there are differences between the Government and contractor inventory on hand quantities, the contractor shall record all differences on a DD Form 1149 which shall be forwarded to the PM3 logistics representative.

**3.5.3.2 Shipboard Spare Parts Inventories (Delivery).** The contractor shall validate the Storeroom Spares actually on hand and compare the results to the SHIPCLIP allowances. Procurement of all parts to correct deficiencies shall be coordinated with the PM logistics representative. The contractor shall not requisition or commercially procure amounts exceeding the allowance levels in SHIPCLIP as a reimbursable expense unless an approved Allowance Change Request (ACR) is on file and Government has specifically approved this proposed procurement as reimbursable. Spare parts ordering requirements are described in Section C-5.2 (Spare Parts).

**3.5.3.3 Shores Based Government Furnished Property and Spare Parts Inventory and Custody Transfer (Delivery).** The Government will provide the contractor a Government Furnished Property and Spare Parts inventory in Excel format upon delivery of the first ship under this contract to the contractor. The contractor shall have 60 calendar days from the date of receipt of the inventory to validate and transfer all Government Property held by the previous contractor at commercial locations to the contractor's commercial facilities or a Government site in accordance with Section 15.16 -Shore Based Spares (SBS) of the MPF Technical Manual. Upon completion of the transfer, the contractor shall update the Government furnished Consolidated Maintenance and Logistics System (CMLS) web application with the items' new location/disposition. When there is a difference between the Government and contractor inventories, the contractor shall record all differences on a DD form 1149 and forward the 1149 to the PM3 logistics representative.

**3.5.4 END OF CONTRACT SHIP REDELIVERY, REDELIVERY OF GOVERNMENT PROPERTY AND PHASE-IN, PHASE-OUT SERVICES**

**3.5.4.1 Phase-out Plan.** Ninety (90) days before the end of the contract, the out-going Contractor shall submit a Phase-out Plan that addresses all aspects of the End of Contract REDELIVERY process contained in the following Sub-sections. The Phase-out Plan shall include, but is not limited to: schedules for crew turnover, turnover Inspections, assistance with crew familiarization, close-out inventories, repairs or CASREP corrections, etc..



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- 3.5.4.1.1 Phase-in Phase-out services.** The Contractor shall be required to provide phase-out support to assist with the phase-in of the follow-on Contract for the operation of the ships. Pursuant to FAR 52.237-3 (Continuity of Services) the Contractor shall provide phase-in, phase-out services until each ship is re-delivered in accordance with Section 20.2 of the Technical Manual. In accordance with Section C-3.5.2.3, all personnel and other associated costs of attending phase-in are to be included in the Contractor's fixed rate. Vessel redelivery dates will be provided by the Government. There will be a staggered redelivery of the vessels. No minimum amount of ship per diem workload is guaranteed.
- 3.5.4.2 Contract Expiration/Termination.** The Contractor shall redeliver each ship to the Government at the end of the contract performance period at a Government designated location. The Government has the unilateral right to terminate this contract or any portion of this contract at no expense to the Government at any time after the firm period. The Government will issue a termination notice, in writing, 60 days before the effective termination date. The Government is not required to justify cancellation of this contract. Upon completion or termination of this contract, the Contractor's redelivery/turnover inventories conducted in accordance with section C-3.5.4.6 will be used to determine which property the Contractor shall be responsible for making available to a follow on contractor or returning to the Government. Section 15.16 of the Technical Manual requires specific action by the follow on contractor for dealing with the Shore Based Spares (SBS).
- 3.5.4.3 Vessel Custody.** Custody of a ship is deemed to be transferred when the Government releases the Contractor, in writing, from responsibility for the ship; or, if lost, at noon EST of the day lost (if that date is not known, at noon of the day when last heard from); or from the time when the ship is declared a constructive total loss by the Government. Transfer of custody relieves the Government of any further obligation for the payment of the per diem rate.
- 3.5.4.4 Turnover Inspections.** Up to two months before the Contractor's turnover of the ships to a follow-on Contractor, the Government will determine unilaterally whether or not a third party inspection and/or underwater hull inspection will be accomplished. Approximately ten (10) days will be allocated in each ship's operating schedule for the Government to verify the validity of the physical inventories and determine the condition of the ship(s) in accordance with the turnover process. The ships' condition at redelivery may impact final award fee determination pursuant to Section H-8. The Government may direct the Contractor to correct any turnover deficiencies.
- 3.5.4.5 Return of Government Furnished Property.** Unless the Contracting Officer, in writing, authorizes an exception, the Contractor shall be required to return all Government Furnished Property (GFP) such as outfitting, tackle, apparel, supplies, stores, equipment, and furnishings back to the Government (See Section 15.23 of MPF Technical Manual and FAR 52.245-1). If GFP is not returned, in accordance with Section C-5.1.3, the Contractor will be required to replace or reimburse the Government for such items in kind. Contractor liability will be in accordance with FAR 52.245-1(h).
- 3.5.4.6 Physical Inventories Prior to Redelivery.** The ships shall be redelivered to the Government in the same good order and condition as when delivered hereunder except for normal wear and tear, any repairs/replacements which have been made, and ordinary depreciation. At the end of the contract, the Contractor shall perform 100% physical inventories of all Government Property applicable to the contract, per FAR 52.245-1. Physical inventories will be completed 90 days prior to the actual redelivery/turnover date unless the contract is terminated. The Contractor will ensure these actions are conducted using criteria specified in COMSCINST 4340.3 (series). All certified physical inventory results are to be in SHIPCLIP or Excel format, the listings will contain basic information contained in FAR 52.245-1 and will be presented to the MSC property administrator in writing forty-five days prior to the scheduled redelivery/turnover date. Physical inventories onboard the vessels and at other locations as applicable shall be conducted in the presence of a Government representative unless specifically relieved of this

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requirement in writing by the Contracting Officer. Contractor liability will be in accordance with FAR 52.245-1(h).

- 3.5.4.7 Repair of Government Property.** The Contractor shall repair all Government property in need of repair/maintenance before the redelivery inventory is conducted. At the Government's option, all repairs not completed by the Contractor prior to the redelivery inventory may be made at the Contractor's expense, except in cases where repair costs would be reimbursable. In the case of minor damage to the Government property the compensation due the Government by the Contractor shall be the actual cost of repair, provided such amount does not exceed the replacement cost of the item.
- 3.5.4.8 Replacement Value.** In the case of items lost or damaged beyond economical repair, the amount of the Contractor's liability shall be the replacement value of the item as determined by the Contracting Officer. Any failure of the Contractor to agree with such determinations shall be treated as a dispute over a question of fact pursuant to the clause of this contract entitled "Disputes". At the Government's option, any property in excess of the original inventory, except for consumables and additions provided by or at the expense of the Government, shall be priced. If there are no Contractor markings or tags on property, it shall be considered as Government Furnished.
- 3.5.4.9 Dispute of Government or Contractor Acquired Property.** At time of redelivery, all supplies, materials, spare parts, gear, equipment, and other property onboard the ship is presumed to be Government owned. The Contractor shall present a list of all property over which it asserts ownership to the Contracting Officer for review and concurrence prior to removing same from the vessel. If there are no Contractor markings or tags on property, it shall be considered as Government Furnished. Property shall not be removed from the vessel if the Contracting Officer does not concur in the Contractor's assertion of ownership. Disputes over ownership of property shall be resolved in accordance with and pursuant to the terms of the Disputes Clause FAR 52.233-1 Disputes (Jul 2002).
- 3.6 Orientation Visits, and Meetings.** The Contractor shall send key shore based personnel to attend meetings, conferences or orientations as designated by PM3. The Contractor shall include travel costs in the fixed rate for six (6) meetings per year. These meetings shall include, but are not be limited to, award fee presentations, quarterly management meetings and other meetings deemed necessary by the Government. The Government will reimburse the Contractor for any travel associated with meetings in excess of the above, with prior Contracting Officer approval.
- 3.7 Management Control System/Accounting System.** The Contractor shall develop and maintain effective management controls that will monitor and ensure effective management of reimbursable expenditures, federal supply system procurements for appropriate billing codes and approvals. The Contractor's proposed system shall be submitted with the successful offer and will be incorporated into this contract. This system shall monitor costs for reimbursable expenses, all federal supply system procurements (to include proper fund code and billing requirements). The Contractor shall notify the Contracting Officer of any deviations in cost from the industry standards, unauthorized procurements and billings from the federal supply system, and provide auditable information when requested by the Government. The system shall segregate and track reimbursable expenses from costs incurred in the fixed price portion of the Contract.
- 3.8 Security Clearance and Common Access Cards (CAC).** Key shipboard personnel require access to information that may be deemed classified up to Secret. Those personnel requiring access to classified information shall maintain a clearance based upon at a minimum a favorably adjudicated National Agency Check with Law and Credit (NACLC) and access granted up to SECRET. During FOS, key shipboard personnel include the ship's Master, Chief Mate, Chief Engineer, First Assistant Engineer and Electronics Officer. During ROS the key shipboard personnel are the Master (or OIC), Chief Mate, Chief Engineer and First Assistant Engineer.
- 3.8.1 Authorized Personnel and Computer Access.** In addition to the key shipboard personnel, the ship's remaining Deck Officers, Engineering Officers, Storekeeper and Chief Steward require access to the Local Area Network (LAN) with a Government computer account, although they may not require access to

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classified information. Access to government computers and systems is for the purpose of conducting official business only and requires at a minimum a favorably adjudicated National Agency Check with Law and Credit (NACLC) investigation and the submission of a SAAR-N form to MSC.

- 3.8.1.1 Mariner Personal Email.** The Contractor shall install a separate stand-alone system which allows ship's crew access to personal email. All costs associated with this stand-alone system are for the Contractor's account.
- 3.8.2 Common Access Cards (CAC).** To support access to the government computers and systems, authorized personnel shall obtain a CAC. CAC's are to be issued only through the auspices of the Trusted Agent to U.S. Citizens, U.S. Permanent Resident Aliens or such other individuals as may be authorized by Commander Military Sealift Command (COMSC). To be eligible for a CAC, contract mariners and contractor personnel shall comply with Homeland Security Presidential Directive 12 (HSPD-12) requiring the completion of an FBI fingerprint check with favorable results and the initiation of a National Agency Check with Written Inquiries (NACI). An individual who maintains a current equivalent or higher investigation shall not require an additional NACI. As required for access to the government computers and systems, the NACLC suffices. The Contractor shall ensure that Key Shipboard Personnel stipulated in paragraph 3.8 and 3.8.1 obtain a CAC. The CAC shall not be used for any unauthorized purpose. Fees associated with obtaining CAC's are for the Contractor's account.
- 3.8.3 Tracking and Disposition.** The Contractor shall immediately inform the Contracting Officer in writing if a contractor employee is given an adjudication of "Access Suspended", "Interim Declination", "Loss of Jurisdiction", "No Determination Made", or has their clearance eligibility otherwise withdrawn, denied, or revoked. The Contractor shall be responsible for the control of CAC's issued to its mariners and personnel under MSC contract. In order to ensure positive control of CAC's, the Contractor shall surrender to the Trusted Agent all CAC's issued in the performance of this contract upon: 1) Termination of the contract; 2) Redelivery of a vessel; 3) If a Key shipboard mariner will not be returning to any ship operated by the Contract Operator, or 4) As directed by the issuing authority, the Trusted Agent, or the Contracting Officer.
- 3.8.4 CAC Reporting.** A report shall be made to the Contracting Officer within 24 hours of discovering any CAC is lost, stolen, or destroyed. The Contracting Officer will then generate a report to 1) the Trusted Agent for cancellation of the card, 2) to the local U.S. Military Security Office, and 3) to the appropriate MSC Squadron Commander.
- 3.9 Quality Assurance Surveillance.** The Government will monitor the Contractor's performance in accordance with Section E, Inspection and Acceptance.
- 3.9.1 Onboard Condition Inspections (OCI).** In accordance with COMSCINST 4700.18, Contract Technical Requirements Surveillance Process for MSC Ships, the Government will routinely conduct Onboard Condition Inspections (OCI) to monitor performance elements through informal ship visits and site audits. OCIs will normally be conducted on an annual basis. These inspections will include operations, engineering, logistics, and medical areas of the contract (SOW and Technical Manual). Government property audits may also be conducted during this time. Any contract discrepancies discovered during an OCI will be reported to the Contractor and a Contract Discrepancy Report (CDR) may be issued by the COR. The Contractor shall advise the COR of disposition or corrective action taken to remedy contract discrepancies within 30 days of receipt of notification. The contractor shall be responsible to provide a schedule for correction for all outstanding vessel findings via the OCI Web Tracker and provide updates on outstanding or open items as appropriate, but at least quarterly. The corrective action will be to the Government's satisfaction.
- 3.9.2 Onboard Condition Inspection-Enhanced (OCI-E).** The Government will routinely conduct OCI-E to monitor performance elements through ship visits and site audits IAW COMSCINST 4730.5 (series), *Contract Technical Requirements Surveillance Process for MSC Ships*, and COMSCINST 4730.5 (series), *Conduct of Ship Material Assessment and Readiness Testing on Government Owned Ships*. The contractor shall assist in facilitation of the periodic onboard inspection of ships by the Government to

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assess material condition, appearance, operations, mission gear, habitability, medical, logistics, preventative maintenance systems, force protection capabilities, assessment of contractor or ship owner conformance to the requirements of the Contract and any other areas of interest to the Government. IAW Requirements Surveillance Process for MSC Ships, the Government will routinely conduct OCI-E over a five-day period, which will include a Dock Trial and a one-day Sea Trial to monitor performance elements. During OCI-E, the contractor shall operate all pieces of equipment and systems the government asks the contractor to operate and demonstrate its operation to the inspectors.

In preparation for an OCI-E the ship's Master shall submit a Master's Letter of Concern (MLOC) to MSC Ship Inspection Branch at least 14 days prior to commencement of the OCI-E. The MLOC form will be forwarded to the Ship's Master via email no later than 30 days prior to the OCI-E.

Prior to the OCI-E, the contractor shall submit a universal invoice list covering reimbursable transactions for the last year to the MSC Ship Inspection Branch no later than 20 days prior to the scheduled OCI-E. Supporting documentation for the selected invoices shall be submitted to the MSC Ship Inspection Branch at least 14 days prior to commencement of the OCI-E in order to validate the work specified, spare parts ordered and services provided.

- 3.9.3 **Ship Material Assessment and Readiness Testing (SMART).** The contractor shall support a SMART IAW COMSCINST 4730.5 (series), *Conduct of Ship Material Assessment and Readiness Testing on Government Owned Ships*, when directed by the government to do so.

Upon notification of a SMART being scheduled for a ship, the Ship Management Team (SMT) shall ensure the ship is properly prepared and ready to conduct prompt, sustained operations at sea. Ships presented for SMART with deficiencies that reduce its ability to conduct prompt, sustained operations at sea shall ensure these deficiencies are fully documented and known to the N7 prior to the inspection team's arrival on the ship to conduct the SMART.

The SMT shall submit a Schedule of Events (SOE) for the conduct of the SMART. The SOE shall be provided to the SMART team for review at least 20 days in advance of the SMART. Additionally, the SOE must identify high risk critical evolutions that are scheduled during the SMART and an associated Job Safety Assessment (JSA). JSAs may be replaced with a Safety Management Risk Assessment Calculator sheet or equivalent SMS procedure (as applicable). The contractor shall provide JSAs, Risk Assessment Calculator sheets and equivalent SMS procedures prior to the scheduled test.

The SMT shall provide information on issues with identified equipment configuration and testing procedures via a test memorandum to the MSC SMART Coordinator. The test memorandum shall comply with MSC QMS Procedure N0752-100.00-SQ, *Preparation for Ship Material Assessment and Readiness Testing (SMART) Inspections* and N0752-101-00-SQ, *Execution and Follow-Up for Shipboard Material Assessment and Readiness Testing (SMART) Inspections*. This shall be accomplished no later than 30 days prior to the commencement of the SMART.

The SMT shall prepare, sign and submit a MLOC to the MSC SMART Coordinator, with input from the contractor's Program Management, 20 days prior to the commencement of the SMART, documenting issues that may impact the SMART or have a known impact to the material condition or mission capability of the ship. The SMT shall designate qualified personnel to operate the ship systems and equipment during the SMART IAW the SMART test memos.

The SMT shall provide cause analysis of significant findings identified during a SMART and develop and submit corrective action plans to MSC Ship Inspection Branch (N7) within 30 days of completion of the SMART.

- 3.9.4 **Vessel Self-Assessment.** In preparation for an OCI, the Contractor shall ensure the ship's Master submits a self-assessment to Engineering Field Support Division, Ship Inspection Branch (N751) of MSC at least

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fourteen (14) calendar days prior to commencement of the OCI inspection. The self-assessment form will be forwarded to the Ship's Master via email approximately one month prior to the OCI.

- 3.9.5 Sample Invoice Validation (SIV).** The Engineering Field Support Division-Ship Inspection Branch (N751) of MSC will request the Contractor's Universal Invoice List one month prior to any inspection in order to highlight the required invoices scheduled for validation during the OCI. At least fourteen (14) calendar days prior to the OCI, the Contractor shall provide Ship Inspection Branch (N751) with all required supporting documentation for the selected invoices to validate the work specified, spare parts ordered and services provided.
- 3.9.6 Special Surveys.** As circumstances warrant, the Government may request the Contractor to undergo a special survey onboard the vessel. This survey may be tailored to a specific engineering or deck equipment or system or may encompass the entire vessel such as prior to or just after contract turnover.
- 3.9.7 Contract Surveillance Monitoring in Shipyard.** In accordance with COMSCINST 4700.18 (series), Ship Inspection Branch (N751) of MSC will maintain a full time Government Representative for all maintenance and repair availabilities with a contract value of greater than \$1million, for all dry-dock availabilities regardless of contract value and for other availabilities as designated by the MSC Program Manager (PM) or Technical Director (TD). The Contractor shall comply with all requirements identified in COMSCINST 4700.18 (series) to support the MSC Government Representative. However, the Contractor's lead Port Engineer is the only individual authorized to make modifications to the shipyard subcontract.
- 3.10 Submit Reports and Maintain Logs, Records.** The Contractor shall perform administrative functions related to deck operations, engineering and medical functions, which include, but are not limited to, submitting reports, updating Government databases (e.g. OCI WEBTRACKER), fully maintaining logs, records, files, documents, certificates, charts and publications in accordance with USCG Regulations, Sections 3, 10, and 12 of the Technical Manual, and required reports in COMSINST 3121.9(series). The Contractor shall make all other logs, records, files, documents, and certificates available for review by or submission to the Government on request. These logs are the property of the U.S. Government and shall remain onboard the ship at termination of the contract.
- 3.11 Maintain Charts and Publications.** In accordance with COMSCINST 3145.1 (series), Nautical Charts and Publication Allowance, MSC assigned Allowance List charts and nautical publications shall be maintained onboard by the Contractor and updated in accordance with U.S. Coast Guard Regulations. MSC ships will be installed in Navy's auto distribution (AD) network for receipt of new editions of National Geospatial-Intelligence Agency (NGA, formerly NIMA) charts and nautical publications. Ships and/or operating companies should make every effort to purchase nautical charts and pubs through no-cost Government channels. The emergency purchase of urgently needed charts and pubs by Operating Companies via commercial sources is authorized, but such purchase requests shall be submitted to the Contracting Officer Representative (COR) in advance. To ensure receipt of no-cost charts and pubs through Government channels, ships shall keep their FPO mail and bulk freight addresses up to date.
- 3.12 Prohibited Substances and Practices.** The Contractor shall develop and implement effective policies regarding prohibited substances. A copy of these policies shall be submitted to the Government within sixty days after contract award for review and retention. The Contractor shall demonstrate implementation and enforcement of prohibited substance policies during the contract performance period.
- 3.13 Alcoholic Beverages.** The introduction, possession or use of alcoholic beverages by any person onboard ships is prohibited.
- 3.14 Narcotics, Controlled Substances, and Marijuana.** The introduction, possession, or use of narcotics, controlled substances, marijuana, or substances containing narcotics, or paraphernalia which are used to administer, dispense, or carry narcotics, except for authorized medical purposes, is prohibited onboard these ships by Article 1151, U.S. Navy Regulations (1900). The Contractor shall maintain controlled substances in accordance with Section C-1.4.9 (Control of Medical Items) and COMSCINST 6000.1 (series). Ship's Masters



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shall take every reasonable precaution to prevent the introduction of unauthorized controlled or illegal substances onboard ship.

**3.15 Drug and Alcohol Testing.** The Contractor shall comply with all the requirements of 46 C.F.R. Part 16 for chemical tests for dangerous drugs and alcohol, notwithstanding that MPF are public ships and not subject to the requirements of 46 C.F.R. Part 16. For purposes of this requirement, the Contractor shall be deemed a "marine employer" and individuals hired to serve onboard the ships shall be deemed "crew members" as those terms are used in 46 C.F.R. Part 16. This requirement includes performance of random testing, post accident testing, and associated training as required by 46 C.F.R. Part 16. Costs associated with Chemical Testing are not reimbursable.

**3.16 Smoking Policy.** The Ship's Master shall designate as a smoking area one or more weather deck spaces of each ship as safety and operational requirements permit. If weather deck spaces are not available due to ship configuration or operational considerations, then the Ship's Master will designate one or more normally unmanned spaces within the skin of the ship that is designed to vent directly to the atmosphere and judged by the Ship's Master to not recirculate second-hand smoke. Work spaces, watch stations, berthing areas, lounges, messing areas, libraries, ready rooms, exercise areas, and medical areas will not be used as smoking areas.

**3.17 Sexual Harassment Policy.** The Contractor shall develop and implement a policy for the prevention of sexual harassment. This policy statement shall be submitted to the Government within sixty (60) days after contract award for approval and retention. The sexual harassment policy shall be posted onboard the ship in a public area.

**3.18 Safety Management System (SMS) General.** The Contractor shall develop and maintain a certified safety management system which fulfills the requirements of the International Maritime Organization's (IMO) International Safety Management Code (ISM). This system can be developed and implemented in conjunction with the Contractor's existing Quality Management System or an internationally accepted and certified quality system. The Contractor shall obtain and maintain ISM certification both ashore (Document of Compliance) and afloat (Safety Management Certificate) aboard each ship from a USCG approved certifying body. The Document of Compliance shall be in place three (3) months after delivery of the ship and each ship shall carry a Safety Management Certificate within six (6) months of operations beginning. If the Contractor's SMS requires software for execution, the Contractor shall provide a stand-alone system onboard the vessel. The costs associated with this system shall be included in the Contractor's fixed rate. The Contractor is not authorized to install the software on the Government provided Local Area Network (LAN) without meeting all MSC Information Assurance (IA) requirements and gaining approval from the MSC IA Officer.

**3.18.1 SMS Safety and Occupational Health Program.** The Contractor's SMS shall provide a comprehensive program to reduce occupational injuries, illnesses, material loss or damage, and maintain safe and healthful working conditions for crewmembers and other embarked personnel. The Contractor shall use Safety and Occupational Health (SOH) guidance provided by COMSCINST 5100.17 (series), USCG NVIC 3-92, and USCG NVIC 02-13 to provide protection for all shipboard personnel with a program of educational material, safety meeting discussions, videos, and hazard assessments. An appropriate onboard indoctrination program is also required to address the following occupational health topics at a minimum:

1. Heat Stress Mitigation
2. Personal Protective Equipment (PPE):
  - o Head and eye protection (grinders, welding, power tools)
  - o Hearing Conservation (control of excessive noise)
  - o Respiratory protection (ANSI Z88 standards)
3. Shipboard Safety, Hygiene and Medical (designate an onboard Safety Officer).
4. Safe Work Practices for working aloft including fall protection, electrical lock-out/tag-out procedures, and safe practices for working in and around Marine Sanitation Devices (MSD)

**3.18.2 SMS Implementation Plan.** Within 30 days of contract award, the Contractor shall submit to the Government an SMS implementation plan that identifies:

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1. An index of procedures that will be included in the SMS.
2. An index of documents external to the SMS, maintained aboard the ship, that relate to safety.
3. The method for tracking, reporting, and resolving non-conformities including procedures concerning Job Safety Analysis (JSA) and Root Cause Analysis (RCA).
4. Contact information for personnel within the Contractor's Safety Department, responsible for submitting monthly reporting requirements to the COR and PO2 Safety.
5. Contact information for the Contractor's Designated Person Ashore (DPA).
6. A notional schedule for obtaining classification society approval of the SMS including:
  - i. Implementing the SMS throughout the shore side and shipboard organizations.
  - ii. Conducting the internal and external audits necessary to obtain certification.
7. The planned frequency of Management Reviews.

**3.18.3 SMS Documentation.** Updates and revisions to the SMS shall be submitted to the Government as they occur. Copies of the Contractor's Document of Compliance (DOC) and shipboard Safety Management Certificates (SMCs) shall be maintained by the operating company at all times. Electronic copies of these documents shall be furnished to the Government upon issuance and endorsement. The Government shall be furnished with copies of the required third party periodic reviews as well as any Contractor responses. The Government reserves the right to periodically audit the shipboard and corporate systems in accordance with the Contractor's Quality Management System.

**3.18.4 SMS Notifications.** The Contractor shall provide notification of the following Safety topics to the Government in accordance with the timelines prescribed below.

1. **Provide SMS Procedures.** The Contractor shall provide electronic copies of all procedures from the approved SMS to the Government within 30 days of classification society approval. The required format for submission of the procedures is PDF or Microsoft Word. Any updates after approval of the SMS shall be provided to the Government within 10 days.
2. **Management Reviews.** The Government reserves the right to attend, as an observer, the Contractor's Management Reviews for informational purposes. The Contractor shall provide electronic notification to the Government at least 14 days prior to any scheduled reviews.
3. **Notification of Hazardous Situations (i.e. "Near Miss").** Paragraph 9.1 of the ISM Code requires the Contractor's SMS to include procedures that address reporting of hazardous situations. The Contractor shall provide electronic copies of all vessel hazardous situation reports to the Government by the 7<sup>th</sup> of every month. Negative responses are also required by the 7<sup>th</sup> of every month. The Contractor may redact Personally Identifiable Information (PII) from reports. Information required in the report includes: the Date of the event, the Ship Name, a detailed Summary of the Near Miss, the Position Title(s) of Personnel Involved, Corrective Action(s) Taken, and Lessons Learned.
4. **Accident (i.e. "Mishap") Reports.** Paragraph 9.1 of the ISM Code requires the Contractor's SMS to include procedures for reporting mishaps. The Contractor shall submit initial notification of severe mishaps to the Government within 24 hours. Severe mishaps include, but are not limited to death, dismemberment, loss-of-sight, broken bones, and man overboard. Within 5 days submit notification of less serious accidents, i.e.... lacerations, illnesses, bumps, and bruises. If a USCG Form 2692 is required, the 2692 should be submitted within 5 days of the event. All blocks of the 2692 should be filled out completely to ensure thorough reporting to the Government. The Contractor may redact Personally Identifiable Information (PII) from these reports. Information required in all reporting includes: the Date of the Mishap, the Ship Name, a Detailed Summary of the Mishap, the Position Title(s) of Personnel Involved, Corrective Action(s) Taken, and Lessons Learned. For mishaps involving damage to Government Owned Property (GOP), include the dollar amount and/or initial estimate for all damaged or lost GOP.
5. **Marine Casualty Report (USCG Form 2692).** The Contractor shall provide electronic copies of all Marine Casualty Reports, including Commercial Diving Incidents. Submit notification of severe

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Marine Casualties within 24 hours of the event, followed by the required USCG Form 2692 within 5 days. Submit notification of less serious Marine Casualties within 5 days of the event along with the USCG Form 2692. All blocks of the 2692 should be filled out completely to ensure thorough reporting to the Government. The Contractor may redact Personally Identifiable Information (PII) from these reports. Information required in all reporting includes: the Date of the Marine Casualty, the Ship Name, a Detailed Summary of the Marine Casualty, the Position Title(s) of Personnel Involved, Corrective Action(s) Taken, and Lessons Learned. For Marine Casualties involving damage to GOP, include the dollar amount and/or initial estimate for all damaged GOP.

6. **Ship Casualties (Not requiring USCG Form 2692).** The Contractor shall notify the Government of all ship casualties within 24 hours of the event. Information required in all reporting includes: the Date of the Ship Casualty, the Ship Name, a Detailed Summary of the Ship Casualty, the Position Title(s) of Personnel Involved, Corrective Action(s) Taken, Lessons Learned, and the Dollar Amount and/or Initial Estimate for Repairs.
7. **Shipboard Safety Meetings and Minutes.** The Contractor shall conduct Monthly Safety Meetings and develop an agenda of mandatory conversation pieces for the ships under this contract. The Contractor shall provide electronic copies of all Safety Meeting Minutes to the Government within 10 days of the meeting. On occasion, the Government may communicate “hot topics” to the Contractor for inclusion in Safety Meetings.
8. **General Safety-Related Notifications.** The Contractor shall provide notification of all Safety related items to the Government through their Contracting Officer Representative (COR) and the MSC Safety Departments via the following email addresses: **MSC\_GOCO\_Safety@navy.mil** and **MSCHQ\_Safety@navy.mil**. The **COR’s email address** will be provided at contract award. Throughout this section the term “**Government**” signifies the COR and MSC Safety Departments.

3.18.5 **SMS Audits (Internal & External).** The Contractor shall provide electronic copies of all internal and external audits performed on the Contractor’s SMS to the Government within 10 days of the report being delivered.

3.19 **Quality Management System (QMS).** The contractor shall develop and maintain a Quality Management System compliant with ISO 9001:2008 and certified by an accredited organization that the system conforms to this standard. The contractor shall maintain full and continuous quality system certification for the entire period of performance of this contract. The contractor shall notify the Contracting Officer within 24 hours if for any reason the QMS certification is revoked. At a minimum, quality system certification (Interim or otherwise) shall be in place no later than 60 days after delivery of the first ship. Costs associated with certification of the QMS shall be included in the fixed price per diem. If the Contractor’s Quality Management System requires software for execution, the Contractor shall provide a standalone system onboard the vessel. The costs associated with this system shall be included in the Contractor’s fixed rate. The Contractor will not be authorized to install the software on the Government provided systems without meeting all MSC Information Assurance requirements and gaining approval from MSC Information Assurance Officer.

3.19.1 **QMS Implementation Plan.** Within 30 days of contract award as detailed in Clause F-5 of the contract, the contractor shall submit to the Contracting Officer a QMS Implementation Plan that incorporates the below items. Costs associated with the development of the Quality Plan shall be part of the contractor’s fixed price. The contractor shall inform the Government of any changes to the QMS Implementation Plan and shall submit revised documents as applicable. Additionally, the contractor shall provide upon request quality management system procedures for Government review.

1. An index of quality management system procedures, documents and data specific to maintaining compliance with all requirements of this contract in accordance with Section 03.1.7 (Reports for Safety) of the MPF Technical Manual
2. An index of documents external to the QMS that will be maintained aboard the ships and in the organization

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3. The method for tracking, reporting and resolving Non-Conformities
4. Identification of the QMS point of contact with contact information
5. A notional schedule for obtaining certification of the QMS including:
  - i. Implementing the QMS throughout the shore side and shipboard organizations
  - ii. Conducting the internal and external audits necessary to obtain certification
  - iii. A plan for obtaining the required certificates and other documents to meet the required time constraints.

**3.19.2 QMS Documentation.** The contractor shall provide copies of applications for and receipt of QMS certification, including copies of the required third party periodic audit reports as detailed in Clause F-5 of the contract. Copies of any renewal certificates shall also be passed to the Contracting Officer and COR upon receipt from the certifying organization.

**3.20 Information Security Management System (ISMS).** The Contractor shall develop and maintain an Information Security Management System compliant with ISO/IEC 27001 (latest revision) Information technology - Security techniques - Information security management systems - Requirements. The ISMS shall be certified by an accredited organization indicating conformance to this standard. The Contractor shall maintain full and continuous ISMS certification for the entire period of performance of this contract. The Contractor shall notify the Contracting Officer within 24 hours if for any reason the ISMS certification is revoked. At a minimum, ISMS certification (Interim or otherwise) shall be in place no later than 60 days after delivery of the first ship. Costs associated with certification of the ISMS shall be included in the fixed price per diem.

**3.20.1 ISMS Documentation.** The Contractor shall provide copies of applications for and receipt of ISMS certification, including copies of the required third party periodic audit reports as detailed in Clause F-5 of the contract. Copies of any renewal certificates shall also be passed to the Contracting Officer and COR upon receipt from the certifying organization.

**3.20.2 Inspection and Test Records.** Inspection and test records required by or in support of the ISMS shall, at a minimum, indicate the nature of the observations, number of observations, and the number and type of deficiencies found which shall be made available for Government inspection upon request. Data included in inspection and test records shall be complete and accurate and shall be used to analyze trends and assess corrective action efficacy.

**3.21 Technical Approach.** Upon award of the contract, the successful Contractor 's Technical Approach as submitted per Section L-15(c)(B)(i), as revised, shall be incorporated into this section as Attachment R to the contract (see Section J)..

**3.22 Accounting System.** The Contractor is required to obtain Government approval of their Accounting System.

**3.23 Purchasing System.** The Contractor is required to obtain Government approval of their Purchasing System.

## C-4 - BUDGET & FINANCIAL MGMT

### 4 ***BUDGET AND FINANCIAL MANAGEMENT***

**4.1 Reimbursables.** See Section G and Attachment I for more detail about requirements for reimbursement under this contract.

**4.2 Annual Operation & Maintenance (O&M) Budget.** The Contractor will submit a proposed Annual O&M Budget to cover anticipated operating and maintenance costs for each ship for the upcoming fiscal year. It will be incumbent upon the Contractor to submit and fully justify these budgets.